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# M e m o r a n d u m

To: Panel Members Date January 18, 2007

From: Ada Carrillo Acting Executive Director File: Panel Memo Jan.

Subject: JANUARY 2007 PANEL MEETING IN SACRAMENTO

The Employment Training Panel will meet on Friday, January 26, 2007 at 9:30 a.m.

California Environmental Protection Agency (Cal/EPA) Building  
Sierra Hearing Room, 2nd Floor  
1001 "I" Street  
Sacramento, CA 95814  
Telephone (916) 327-5640 (ETP Central Office)  
FAX: (916) 327-5260 (ETP Central Office)

## Directions to the Cal/EPA Building

### From Sacramento International Airport:

- Take Hwy 5 South
- Exit on "J" Street to 10<sup>th</sup> St.
- Turn left on 10<sup>th</sup> Street
- CA EPA is on your right  
(Corner of 10<sup>th</sup> and "I" St.)

### From San Francisco:

- Take 80 East
- Go towards Business 80
- Take I -5 North
- Exit "J" Street to 10<sup>th</sup> Street
- Turn left on 10<sup>th</sup> Street
- CA EPA is on your right  
(Corner of 10<sup>th</sup> and "I" St.)



*State of California*

# EMPLOYMENT TRAINING PANEL

## NOTICE OF PANEL MEETING

DATE: January 26, 2007 (FRIDAY)  
TIME: 9:30 a.m.  
PLACE: California Environmental Protection Agency  
Sierra Hearing Room, 2<sup>nd</sup> Floor  
1001 "I" Street  
Sacramento, CA 95814  
ETP Central Office: (916) 327-5640  
ETP FAX: (916) 327-5260

## PANEL MEETING AGENDA

9:30 a.m.	Call to Order/Roll Call Approval of Agenda Approval of Minutes	Barry Broad, Acting Chairperson
9:45 a.m.	Report of the Acting Executive Director <ul style="list-style-type: none"><li>• Legislative Budget Report</li><li>• Request Motion to Delegate in Event of Loss of Quorum/Action</li><li>• Request Motion to Adopt Consent Calendar Projects/Action</li></ul>	Ada Carrillo
10:00 a.m.	Report of General Counsel	Maureen Reilly
10:10 a.m.	Review and Action on Agreements	Ruby Cohen Creighton Chan Dolores Kendrick Diana Torres

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# Agenda

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Friday, January 26, 2007

Noon	Lunch	
1:00 p.m.	Review and Action on Agreements	(Continued)
1:30 p.m.	Discussion/Action Item	Mike Rice
	• Emerging Employment Trend (Temporary Agencies and Professional Employer Organizations)	
	➤ Select Service Providers and Clients will speak before the panel	
2:30 p.m.	Public Comment	
3:00 p.m.	Meeting Adjourns	

All times for presentations are estimates and subject to change. The order of presentation may be changed by the Panel at the meeting. Notices of Panel meetings are also available on ETP's website ([www.etp.ca.gov](http://www.etp.ca.gov)).

If the Panel does not have a quorum, it will meet as a subcommittee of the whole at the same time and place. That subcommittee will hear the items identified on this Agenda, but cannot vote or take action. In the event teleconferencing is used to establish a quorum, the teleconference location will be posted on ETP's website.

Special accommodations (i.e., sign language, interpreter, accessible seating) may be requested by contacting ETP at least seven (7) days prior to the meeting date. Please contact the Executive Office at (916) 327-4485.

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## REVIEW AND ACTION

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Following are lists of Agreements and Amendments that may be considered by the Panel on January 26, 2007. Staff will notify prospective Contractors regarding which specific projects will be presented or if any project listed below will not be presented. The Agreements and Amendments listed below are for the purpose of training unemployed persons or retraining employed workers to enhance economic development in California. Monetary amounts listed reflect funding requested as of the date of issuance of this Agenda.

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### AGREEMENTS/AMENDMENTS WITH A SINGLE EMPLOYER

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#### SAN DIEGO REGIONAL OFFICE

AMN Healthcare	-----	\$467,880
Balboa Instruments, Inc.	-----	\$83,160
Elgar Electronics Corporation	-----	\$149,580
National RV, Inc.	-----	\$749,412
Pan-Pacific Plumbing Co., Inc.	-----	\$145,152
Sage Software, Inc.	-----	\$299,520
The Raymond Group (SET)	-----	\$208,800
Ventura Foods, LLC	-----	\$695,232
Williams Furnace Company	-----	\$411,516

#### NORTH HOLLYWOOD REGIONAL OFFICE

Baxter Bioscience (SET)	-----	\$138,030
The Boeing Company	-----	\$756,000
Irwin Industries, Inc. (SET)	-----	\$742,446
Omni Los Angeles Hotel at California Plaza	-----	\$196,800

#### SAN FRANCISCO BAY AREA REGIONAL OFFICE

Avago Technologies, Ltd	-----	\$149,760
Diebold, Inc.	-----	\$331,200
Monterey Mushrooms, Inc.	-----	\$1,038,600
Seagate Technology LLC	-----	\$1,512,000

#### SACRAMENTO REGIONAL OFFICE

Paramount Citrus Association	-----	\$448,200
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## REVIEW AND ACTION

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### SPECIAL EMPLOYMENT TRAINING (SET) PROJECTS

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#### NORTH HOLLYWOOD REGIONAL OFFICE

Fresenius Medical Care North America	-----	\$542,715
MedPoint Management, Inc.	-----	\$36,960

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### AGREEMENTS/AMENDMENTS FOR A MEC

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#### NORTH HOLLYWOOD REGIONAL OFFICE

Fashion Business Inc. (SET)	-----	\$198,804
Gnomon School of Visual Effects	-----	\$199,625
New Technology Training Institute (W2W)	-----	\$85,365
Southeast Area Social Services Funding Authority	-----	\$108,510
Sturdi-Quick Prefabricated Structures (Amendment)	-----	\$271,300

#### SAN FRANCISCO REGIONAL OFFICE

Bay Area Video Coalition	-----	\$900,000
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#### SACRAMENTO REGIONAL OFFICE

Hitchcock and Holcombe, Inc. DBA Continental Training Center	-----	\$645,430
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### AGREEMENTS/AMENDMENTS FOR SMALL BUSINESS OR UNDER \$50,000

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#### SAN DIEGO REGIONAL OFFICE

Dorel Industries	-----	\$49,140
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#### NORTH HOLLYWOOD REGIONAL OFFICE

Certified Printers, Inc.	-----	\$11,440
NHK Laboratories, Inc.	-----	\$49,140
Oasis Air Conditioning, Inc.	-----	\$43,680

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## REVIEW AND ACTION

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### SAN FRANCISCO REGIONAL OFFICE

LogicVision	-----	\$42,224
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### SACRAMENTO REGIONAL OFFICE

Emerald Bay Custom Built Houseboats, Inc.	-----	\$20,280
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Ingomar Packing Company, LLC	-----	\$21,780
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STATE OF CALIFORNIA  
EMPLOYMENT TRAINING PANEL MEETING  
Milton Marks Conference Center  
455 Golden Gate Avenue  
San Francisco, CA 94102  
December 15, 2006

PANEL MEMBERS

Barry Broad  
Acting Chair

Tyrone Freeman  
Member

Bob Giroux  
Member

Scott Gordon  
Member

Edward Rendon  
Member

Janice Roberts  
Acting Vice-Chair

Johnathan St. John  
Member

Executive Staff

Ada Carrillo  
Acting Executive Director

Maureen Reilly  
General Counsel

STATE OF CALIFORNIA  
EMPLOYMENT TRAINING PANEL MEETING  
Milton Marks Conference Center  
455 Golden Gate Avenue  
San Francisco, CA 94102  
December 15, 2006

I. PUBLIC PANEL MEETING CALL TO ORDER

Janice Roberts, Acting Chair, called the public Panel meeting to order at 9:30 a.m.

II. ROLL CALL

Members Present

Janice Roberts  
Edward Rendon  
Johnathan St. John  
Bob Giroux (arrived at 9:40 a.m.)  
Scott Gordon (arrived at 10:00 a.m.)

Members Absent

Tyrone Freeman  
Barry Broad

Executive Staff Present

Ada Carrillo, Acting Executive Director  
Maureen Reilly, General Counsel

III. REPORTS OF THE CHAIRPERSON/PANEL MEMBERS

EcoTerra Appeal Status/Action

With the absence of Barry Broad, Chairperson, Spencer Kenner, Staff Counsel, provided an overview of the status of the EcoTerra Appeal. He said this was a second-level appeal that came before the Panel by way of a hearing in July 2006, on the basis of an overpayment of approximately \$130,000. At the hearing in July 2006, where Chairman Broad acted as hearing officer, he urged the parties to settle as an alternative to his ruling. The parties immediately engaged in discussions, and recently reached settlement.

Mr. Kenner explained that EcoTerra is a start-up company that failed to receive sufficient capital to continue in business. He said all employees were trained, but EcoTerra did not complete the other performance requirements for ETP funding. Chairman Broad's primary concern was that the employees receive pay for having worked approximately 3 to 4 months. EcoTerra agreed to pay the employees' back wages as full settlement of the overpayment, by the next Panel Meeting date of January 26, 2007. If they are not paid by then, the settlement agreement becomes null and void, and Chairman Broad would bring a proposed ruling to the Panel for consideration at its February meeting.

Ms. Roberts, Acting Chairperson, announced that with the absence of a quorum, there would be a change in order of the meeting Agenda.

#### IV. CONTRACTORS' PERSPECTIVES ON THE ETP PROGRAM

Charles Lundberg, Manager of the Economic Development Unit, introduced the contractors included on the Agenda as part of the Contractors' Perspectives on the ETP Program, as follows: Mindy Aronoff, Director of Business Development/Bay Area Video Coalition; Keith Murayama, Plant Manager/Thermionics Metal Processing, Inc.; and Wendy Miller, Senior Director of Learning and Optimization/Agilent Technologies, Inc.

##### Bay Area Video Coalition

Ms. Aronoff explained that Bay Area Video Coalition (BAVC) is a non-profit media arts center that trains individuals in media technology. She said BAVC employees produce documentaries that are released at venues such as Sundance. Ms. Aronoff said BAVC began working with ETP some eight years ago, and has built a rapport with hiring managers to place BAVC's trainees, including hard-to-place individuals. She said BAVC trainees are from a range of various companies such as Pixar, Apple, graphic design studios and game design companies such as Sega. She said, in BAVC's experience, numerous employers are passionate in their belief that ETP-funded training creates a stronger workforce, and offered to provide the Panel additional employer feedback.

Ms. Roberts encouraged promoting the ETP program with California contractors. Ms. Aronoff said that because BAVC is a non-profit company, they were extremely motivated to earn the ETP funding. She said procedures were streamlined in order to make the most of the funding, and in fact, BAVC has been close to 100 percent on performance standards.

##### Thermionics Metal Processing, Inc.

Mr. Murayama thanked the Panel and staff for awarding Thermionics their first ETP contract in 2005. He said that in their first project they accomplished becoming ISO certified and executed a comprehensive training system. He said their direct labor workforce is approximately 96 percent Latino and they had been experiencing problems with communication. Through ETP funding, they were able to train staff using documents translated into Spanish. He said that productivity has since increased, morale has gone up, and employees are more confident in their customer communication skills. Mr. Murayama

said they are a privately-owned, small chemical cleaning house located in Hayward. He said the business is growing due to the word getting out that time delivery, quality and communication has improved. He said that, when the ETP-funded project first started, they employed 92 workers, and now they have 104. He projected an increase in workforce to 120 in February 2007.

Agilent Technologies, Inc.

Wendy Miller said that Agilent Technologies is a world leader in electronic and bio-analytical measurement instruments and equipment, headquartered in Santa Clara. They have generated \$5 billion dollars in revenue and have approximately 19,000 employees in 110 different countries. She said 6,000 employees are in California and Agilent's research and development facilities are in Palo Alto and Santa Clara.

Ms. Miller explained that training was crucial to Agilent, given the severe downsizing it experienced after the economic "bubble" burst in 2000. The year previously, she said, Agilent had hired over 11,000 new employees. After downsizing, it went from approximately 42,000 employees worldwide to 19,000. By 2005, Agilent's revenue had dropped \$14 billion dollars to \$5 billion dollars. Ms. Miller said ETP funds allowed the company to continue development at the employee level. Some of the training projects funded by ETP included: Six Sigma white belt, process management, project management and new skills for emerging markets. Ms. Miller said it is her belief that, if Agilent had not had the use of ETP funds to "seed" training and to develop the skills of its remaining employees, the company would probably be a year or two behind its competitors at this time.

Ms. Miller called the Panel's attention to a recent publication by the American Society of Training and Development (ASTD), which was handed out, that discusses the role of government funding and programs such as ETP, for employee skill development. She described it as "a call to action for employers, employees, and the education system and for the ASTD."

Ms. Miller also said that, although the ETP process is difficult for a larger company such as Agilent because of internal controls and financial accountability, they had been able to meet performance standards. She added that ETP staff had been helpful and professional in guiding Agilent through the process.

Mr. St. John asked about Agilent's investment in employee development, and the impact of training on the future of their organization. Ms. Miller said the residual impact was great. She said she would not approve any project unless she expected it to continue for a minimum of three years, with a business imperative to ensure longevity.

Ms. Roberts thanked all three of the contractors for their presentations and said it was very beneficial, as the Panel has been unable to conduct field visits.

Ms. Roberts requested that roll call be taken, as Panel Member Bob Giroux arrived and there was now a quorum present.

## V. APPROVAL OF AGENDA

ACTION: Mr. Giroux moved and Mr. Rendon seconded the Panel approve the Agenda.

Motion carried, 4 – 0.

## VI. APPROVAL OF MINUTES

ACTION: Mr. Giroux moved and Mr. St. John seconded approval of the Panel Minutes of October 27, 2006.

Motion carried, 4 – 0.

### Request Motion to Delegate in Event of Loss of Quorum

Ms. Roberts asked for a motion to delegate to the Acting Executive Director the authority to approve projects, in consultation with the Panel Chair or Vice Chair, if a quorum did not exist. Mr. Giroux asked if this motion was pursuant to the action item approved at the October 27, 2006 Panel meeting. Ms. Carrillo said it was an ongoing motion.

ACTION: Mr. Rendon moved and Mr. Giroux seconded the Panel delegate to the Acting Executive Director the authority to approve projects for which a quorum does not exist in consultation with the Panel Chair or Vice Chair.

Motion carried, 4 – 0.

### Request Motion to Adopt Consent Calendar Projects/Action

Ms. Carrillo asked for a motion to approve Consent Calendar items #1 through #31 with the exception of Tab 28, Travidia, Inc., which was withdrawn.

A&D Engineering, Inc. ....	\$35,910
A&V Engineering, Inc. ....	\$7,020
Advanced Electromagnetics, Inc. ....	\$31,200
Barksdale, Inc. ....	\$174,420
Barton Brands of California, Inc. ....	\$19,440
Bay Alarm Company .....	\$126,510
Cypress Surgery Center .....	\$77,000
Domino Plastics Manufacturing, Inc. ....	\$183,456
Schlosser Forge Company .....	\$216,000
Forged Metals, Inc. ....	\$252,720
Hawaii Pacific Apparel Group, Inc. dba Mimi and Maggie .....	\$6,240
INTA Technologies .....	\$49,920
Internet Specialties West .....	\$27,258
JD Engineering .....	\$168,480

J. R. & L, Inc. dba Powertek Learning Center .....	\$197,540
Keeley Aerospace, Ltd.....	\$15,600
Phenomenex, Inc. ....	\$298,800
Reborne, Inc. ....	\$94,424
Redwood Regional Medical Group, Inc. ....	\$75,600
Riverside County Economic Development Agency.....	\$294,040
Robert Wall Enterprises dba Sawing Services Company.....	\$28,080
Ross Engineering Corporation.....	\$38,688
Silicon Space, Inc. ....	\$27,040
South Bay Inspection, Inc. ....	\$49,500
The Conrad Corporation dba Conquest Imaging .....	\$47,520
The Olivia Companies LLC .....	\$133,100
Total Airport Services, Inc. ....	\$7,040
Turn Around Communications, Inc. ....	\$48,906
Ushio America, Inc. ....	\$32,400
Verdegaal Brothers, Inc. ....	\$10,560

## VII. REVIEW AND ACTION ON AGREEMENTS AND AMENDMENTS

### Single Employer Contractors

#### Bank of America Corporation

Ms. Ruby Cohen, Manager of the ETP Sacramento Office, presented an amendment request by the Bank of America Corporation (B of A), for additional funding in the amount of \$501,750. B of A provides banking, credit card services, loan processing, and account management services for customers located throughout the United States and internationally.

Ms. Cohen introduced Angel Sanchez, Vice President of Government Partnerships for B of A and Steve Duscha, the company's administrative consultant.

Mr. Giroux asked if, now that B of A is no longer a California-based bank, would the employees be trained and then moved into other states. Mr. Sanchez said it the intent of B of A to keep this workforce in California. He explained that, even though B of A is an international bank, California represents one of the largest markets. Since starting the previous contract with ETP, he said, B of A has increased its full-time staff by 15 percent for the units within the contract.

Mr. Giroux moved, but Jan Roberts had another question.

Ms. Roberts asked if the current contract would end in July 2007. Mr. Sanchez answered in the affirmative, adding that he was sure they had time to meet performance requirements

for the additional funding based on training capacity plans. Ms. Roberts pointed out that there were only about five months remaining, including the 90-day retention period, in order to train all the individuals. Mr. Sanchez remained confident in their ability, and need, to provide the increased level of training.

ACTION: Mr. Giroux moved and Mr. Rendon seconded approval of the Amendment for B of A in the amount of \$501,750.

Motion carried, 4 – 0.

Certified Stainless Service, Inc.

Ms. Cohen presented a One-Step Agreement for Certified Stainless Service, Inc. (Certified), in the amount of \$405,000. She said that Certified is a manufacturer of tanker trailers used primarily in the dairy, wine, food and oil industries; and, training would take place in a high unemployment area.

Ms. Cohen introduced William Doughty, Vice President of Finance.

There were no questions from Panel members.

ACTION: Mr. Giroux moved and Mr. St. John seconded approval of the One-Step Agreement for Certified in the amount of \$405,000.

Motion carried, 4 – 0.

Altera Corporation

Creighton Chan, Manager of the Foster City Office, presented a One-Step Agreement for Altera Corporation (Altera), in the amount of \$1,262,700. He explained that Altera designs, manufactures, and markets semiconductors that its customers program to perform desired logic functions within their electronic systems.

Mr. Chan introduced Laurie Hastings, Senior Manager of HR Planning, Learning & Development.

Ms. Roberts announced the arrival of Panel Member Scott Gordon at 10:00 a.m.

Mr. St. John commented on Altera's outstanding turnover rate and asked if half of Altera's workforce was in California. Ms. Hastings answered in the affirmative and added that corporate headquarters are located in San Jose, while the engineering and marketing staff is located in San Diego and Santa Cruz.

ACTION: Mr. Giroux moved and Mr. Gordon seconded approval of the One-Step Agreement for Altera in the amount of \$1,262,700.

Motion carried, 5 – 0.

Applied Materials, Inc.

Mr. Chan presented an Agreement for Applied Materials, Inc. (Applied Materials), in the amount of \$1,983,200. He said that Applied Materials designs, develops, manufactures, markets and services the machines that are used in the primary process of integrated circuit chip fabrication. He explained that the proposal consists of training for Applied Materials employees as well as workers of supplier companies.

Mr. Chan introduced Jack Franks, Manager of Supplier Training and Development; Patrick Lamey, Strategic Programs of New Business/New Products Group; and Phillip Herrera of Herrera & Company, ETP Consulting.

Mr. Gordon asked if training would be outsourced, or performed by frontline managers through a “train-the-trainers” program. Mr. Franks said outsourcing is utilized, depending on the training topic.

Mr. Giroux said that, over the years, he has had good experience in working with representatives of Applied Materials and he thought the company was a model for employment in the Silicon Valley, and California as a whole.

Ms. Roberts noted that Applied Materials has had two previous ETP contracts, and has done an excellent job of fulfilling the obligations in order to earn almost three million dollars for each training project.

**ACTION:** Mr. Gordon moved and Mr. Giroux seconded approval of the One-Step Agreement for Applied Materials in the amount of \$1,983,200.

Motion carried, 5 – 0.

Autodesk, Inc.

Mr. Chan presented a One-Step Agreement for Autodesk, Inc. (Autodesk), in the amount of \$606,816. Autodesk is a global supplier of design software and services.

Mr. Chan introduced Barbara Straw, Technical Training Manager. Ms. Roberts asked if a substantial contribution would be paid by Autodesk based on its earnings under prior ETP contracts. Ms. Carrillo said there were no contributions due because that training had been at different locations. Ms. Roberts asked if tracking employees would be difficult since they were from various locations. Ms. Straw said Autodesk has detailed tracking of exactly where employees are, and which employees are receiving funding on which contracts. Ms. Carrillo said ETP can make a determination by facility, as to whether a company had reached the \$250,000 substantial contribution threshold. She said such an assessment was conducted here, and the contribution was found to be inapplicable.

ACTION: Mr. St. John moved and Mr. Rendon seconded approval of the One-Step Agreement for Autodesk in the amount of \$606,816.

Motion carried, 5 – 0.

#### Hyatt Hotels Corporation

Mr. Chan presented a One-Step Agreement for Hyatt Hotels Corporation (Hyatt), in the amount of \$912,000. Hyatt is a privately-owned company that manages 23 Hyatt hotels and resorts in California, he said, seeking funds to train convention/conference staff at 14 facilities. He explained that the company derives at least 25 percent of its gross annual revenue from out-of-state visitors, thus it satisfies the Panel's out-of-state competition requirements.

Mr. Chan introduced Steve Trent, Managing Director, Christy Sinnott, Director of Training and Lisa McInnes, Area Training Director.

Ms. Roberts asked Mr. Chan about the substantial contribution on this contract. Mr. Chan said these are all different properties than where previously trained.

Ms. Roberts observed that the turnover rate is rather high and wages are fairly low, and asked about efforts to reduce the high turnover. Ms. Sinnott said the company has made a significant commitment to training, and it was helping to reduce turnover across the nation, but particularly in the State of California, and that it intends to continue training efforts in 2007. Ms. Roberts asked if the 19 percent turnover rate is a national or California average. Ms. Sinnott said it was a California turnover average. Ms. Roberts asked if the national turnover rate was higher than in California. Ms. Sinnott said it was, but that the overall turnover rate for the hotel industry was close to 40 percent nationwide.

ACTION: Mr. Gordon moved and Mr. Rendon seconded approval of the One-Step Agreement for Hyatt in the amount of \$912,000.

Motion carried, 5 – 0.

#### Nortel Networks Limited

Mr. Chan presented a One-Step Agreement for Nortel Networks Limited (Nortel), in the amount of \$1,344,600. He said Nortel is a global supplier of telecommunications and network communication equipment.

Mr. Chan introduced Ray Patterson, Director of Employee Learning & Development and Julianna Kirby, President of Training Funding Partners.

Ms. Roberts said Nortel was a manufacturing company that offered high wages and low turnover, and was in full support of the contract.

ACTION: Mr. Rendon moved and Mr. Gordon seconded approval of the One-Step Agreement for Nortel in the amount of \$1,344,600.

Motion carried, 5 – 0.

#### Northrop Grumman Corporation Marine Systems

Mr. Chan presented a One-Step Agreement for Northrop Grumman Corporation Marine Systems (Northrop), in the amount of \$1,004,400. Northrop, he said, designs and manufactures propulsion, launch, and control equipment for the United States Navy and other U.S. Department of Defense customers which are used in submarines and aircraft carriers.

Mr. Chan introduced Carol Armstrong, Deputy Vice President and Director of Strategic Planning and Robert Hyde, Human Resources Manager.

Mr. St. John asked if this proposal is for one facility only. Ms. Armstrong answered in the affirmative and said the facility is located in Sunnyvale. She explained that, as part of the marines systems division, the company has another site in Maryland, but none of the employees at that site would be trained with ETP funding. Mr. St. John commented on the \$40 million factory modernization program and asked how it had affected the Sunnyvale facility. Ms. Armstrong explained that it is a 100-year-old facility and that Northrop has invested \$40 million over the past nine years, specifically for machinery, which has helped extend their capacity and improve productivity. Due to modernization, she said, the delivery time for some of the company's key processes have been reduced by approximately 30-40 percent. She explained the purpose of applying for ETP funds is to continue improving the company's competitiveness and delivering more value to their customers.

Ms. Roberts asked about the previous ETP contract completed in 2005, in regard to other Northrop facilities in California. Ms. Armstrong said Northrop has many locations throughout California, but the Sunnyvale facility had not applied for funding in more than seven or eight years.

ACTION: Mr. St. John moved and Mr. Rendon seconded approval of the One-Step Agreement for Northrop in the amount of \$1,004,400.

Motion carried, 4 – 0. (Mr. Giroux was not present for the vote)

#### Adams Rite Manufacturing Company

Dolores Kendrick, Manager of the North Hollywood Office, presented a One-Step Agreement for Adams Rite Manufacturing Company (Adams Rite), in the amount of \$387,828. She said Adams Rite is a door and door equipment manufacturer.

Ms. Kendrick introduced Deon Arnol, CFO & Vice President-Operations and Cindy Goodwin, Human Resources Manager.

ACTION: Mr. Rendon moved and Mr. St. John seconded approval of the One-Step Agreement for Adams Rite in the amount of \$387,828.

Motion carried, 4 – 0. (Mr. Giroux was not present for the vote)

Korea Radio, Inc. dba Radio Korea, Inc.

Ms. Kendrick presented a One-Step Agreement for Korea Radio, Inc. (Radio Korea), in the amount of \$399,360. She said Radio Korea produces live and on-line broadcast in radio, television and internet venues and broadcasts to Korean-American listeners in California and 12 other states, as well as to foreign markets such as South Korea.

Ms. Kendrick introduced David Choi, Manager of Legal Affairs & Strategic Planning and Lisa Jee, Executive Director of ATI College.

Ms. Roberts expressed concern about the high cost of training, for such a small company. She said that most companies invest \$1,000 per employee per year for training but Radio Korea is investing almost seven times this amount, approximately \$5,000 to \$6,000 per employee. Mr. Choi said he has been with the company for three years, but there is a core workforce that has been employed there for more than a decade. During that time, he said, training had remained stagnant. Now, he said, Radio Korea was willing to invest a significant amount in training because of competition overseas and the importance of advancing into new technologies.

ACTION: Mr. Giroux moved and Mr. Rendon seconded approval of the One-Step Agreement for Radio Korea in the amount of \$399,360.

Motion carried, 5 – 0.

Marquez Brothers International dba Marquez Brothers

Ms. Kendrick presented a One-Step Agreement for Marquez Brothers International (MBI), in the amount of \$1,249,560. She explained that MBI manufactures and distributes Mexican style dairy products, meat and food items, and canned goods to customers in the West and Midwest United States, Canada and Europe. In addition, MBI is a major importer of national leading brand grocery items from Mexico and other Latin American countries.

Ms. Kendrick introduced David Villanueva, Chief Financial Officer & Executive Vice President.

Mr. Gordon asked if warehouse workers are taken “off-line” or if their training is on-the-job. Mr. Villanueva said training for warehouse workers is “off-line”. Mr. Gordon asked if course competency curriculums are outlined. Mr. Villanueva said training seminars for the

warehouse staff are generally held on Saturdays or at the end of the week so business is not interrupted. He said warehouse workers come “off-line” for direct training to ensure safety requirements and minimize accident rates. Mr. Gordon asked if instructors were outsourced. Mr. Villanueva said there is some outsourcing, but the majority of training is conducted by in-house managers. Mr. Gordon asked if trainees are offered continued education. Mr. Villanueva answered in the affirmative.

Mr. Rendon asked about the 15 percent turnover rate. Mr. Villanueva said the company is currently working on lowering its turnover rate, especially in management. He expressed the difficulty in selecting employees who will be a “right fit” for management positions.

**ACTION:** Mr. Giroux moved and Mr. St. John seconded approval of the One-Step Agreement for MBI in the amount of \$1,249,560.

Motion carried, 5 – 0.

Jacuzzi Brands, Inc.

Diana Torres, Manager of the ETP San Diego Office, presented a One-Step Agreement for Jacuzzi Brands, Inc. (Jacuzzi), in the amount of \$864,000. She said training will take place at two facilities in Chino for both Jacuzzi and Sundance Spas, manufacturing bath, spa and shower systems. The Jacuzzi and Sundance companies qualify for funding as a “group of employers” with similar training needs.

Ms. Torres introduced Bill Cahill, Director of Human Resources.

Mr. Giroux asked about the high turnover rate. Mr. Cahill said the high turnover was due to a downturn in the market within the last four months. He said the reduced housing starts contributed dramatically toward increased turnover, which is typically not that high but is closer to 12 percent. Mr. Cahill said the company distributes throughout the U.S. and is impacted by housing starts nationwide. Mr. Giroux asked if Jacuzzi is selling less product, and Mr. Cahill answered in the affirmative. He said business is cyclical and it is expected it will increase in March.

Mr. Gordon asked if training helped with loss control under prior ETP-funded projects. Mr. Cahill answered in the affirmative and said Jacuzzi has significantly reduced scrap as a result of its last contract when compared a time when it did not offer much training. He added that Jacuzzi used external trainers in the past, but is now beginning to use in-house trainers. Mr. Gordon asked if they could trace reduced workman’s compensation claims to safety training. Mr. Cahill said Jacuzzi has a significant safety training program and has dramatically reduced claims although that training is not funded by ETP.

**ACTION:** Mr. Gordon moved and Mr. Giroux seconded approval of the One-Step Agreement for Jacuzzi in the amount of \$864,000.

Motion carried, 4 – 0. (Ed Rendon was absent for the vote)

Millipore, Inc.

Ms. Torres presented a One-Step Agreement for Millipore, Inc. (Millipore), in the amount of \$345,600. She said Millipore provides biomedical and biopharmaceutical products and services to clinical, analytical, and research laboratories.

Ms. Torres introduced Jim Powers, Director of Manufacturing and Supply Chain Operations.

There were no questions from Panel members.

ACTION: Mr. Giroux moved and Mr. Gordon seconded approval of the One-Step Agreement for Millipore in the amount of \$345,600.

Motion carried, 4 – 0. (Mr. Rendon not present for the vote)

### Special Employment Training Projects

The Permanente Medical Group, Inc.

Mr. Chan presented a One-Step Agreement for The Permanente Medical Group, Inc. (PMG), in the amount of 540,000. He explained that PMG is a major health care provider that operates under three corporate umbrellas: Kaiser Foundation Health Plans and Kaiser Foundation Hospitals. Both are nonprofit, professional corporations of physicians that are responsible for providing and arranging necessary medical care. PMG qualifies for Special Employment Training (SET) for retraining frontline workers who earn the state average hourly wage.

Mr. Chan introduced Egbert Schillings, Managing Director of Special Projects & Patient Care Service; Vincent Reed, Assistant Medical Group Administrator & Director of Nursing Practice, and Steve Duscha, administrative consultant.

Mr. Giroux acknowledged the letter of support from California Nurses Association and asked if the UHW supported this project. Mr. Reed said many employees in the emergency department are affiliated with UHW, such as emergency department technicians. He said PMG supports employees with good wages and flexible work schedules while they are studying to become RNs. He said that, upon RN graduation, a number of graduates enter the emergency department training program.

Mr. Duscha said the CNA represents all RNs in Northern California. Mr. Giroux asked if the proposal includes only the Northern California Kaiser facility. Mr. Schillings said this proposal includes a total of 17 PMG facilities. Ms. Roberts asked if the 150 nurses are dispersed among the 17 facilities upon completion of training. Mr. Schillings answered in the affirmative and said they would be new to the work setting, and would require special attention for a smooth transition into that environment. Ms. Roberts asked if any of the

nurses being trained are at a supervisor or management level. Mr. Schillings said all training is for staff nurses only. Ms. Roberts asked if there is an opportunity for nurses to advance into supervisor or management positions. Mr. Reed said sometimes nurses make the best supervising “preceptors” because they have been through the schooling and are familiar with the subject matter.

ACTION: Mr. Giroux moved and Mr. Rendon seconded approval of the One-Step Agreement for PMG in the amount of \$540,000.

Motion carried, 5 – 0.

#### Riverside Healthcare Systems, LLC dba Riverside Community Hospital

Ms. Torres presented a One-Step Agreement for Riverside Healthcare Systems, LLC dba Riverside Community Hospital (RCH), in the amount of \$799,200. She said RCH is a full-service, acute care hospital in Riverside, California, with a licensed bed capacity of 379. RCH qualifies for SET funds for retraining of frontline workers in occupations that pay the State average hourly wage.

Ms. Torres introduced Pearl Lee, Director of Education and William Parker, President of National Training Systems Inc.

Ms. Roberts asked why RCH’s wages were much lower in comparison to Kaiser. Ms. Lee said RCH recently became unionized. Ms. Roberts asked if wages would increase due to the unionization. Ms. Lee said they are currently in wage negotiations with the union. Ms. Roberts noted the high turnover rate, and Ms. Lee responded that many nurses trained by RCH decide to accept positions at other health facilities such as Kaiser due to higher wages.

Mr. Giroux announced he would abstain from the vote for RCH.

ACTION: Mr. Gordon moved and Mr. St. John seconded approval of the One-Step Agreement for RCH in the amount of \$799,200.

Motion carried, 4 – 1 (Mr. Giroux abstained from the vote)

#### Multiple Employer Contracts

##### Kern Community College District – Bakersfield College

Ms. Cohen presented a One-Step Agreement for Kern Community College District – Bakersfield College (Bakersfield College), in the amount of \$498,960. She said that Bakersfield College proposes to administer a regional training program designed to promote full-time job retention in high-wage occupations, provide skills for transitioning to high performance workplaces, support priority industries in California and serve employers located in high unemployment areas of the state. She explained that this contract is a

result of efforts to address the long-standing economic and social problems of California's San Joaquin Valley, and will serve the region's manufacturing companies as well as the logistics, goods movement, and construction industries. In addition, she said the Partnership (through the region's community colleges) is attempting to leverage incumbent employee training in order to reduce turnover and improve overall job stability in the region. Bakersfield College, the flagship of the regional college coalition, intends to enroll 432 workers in a training program that will serve to continue economic growth and help redress the severe socioeconomic problems in California's San Joaquin Valley.

Ms. Cohen introduced Ed Knudson, Vice President and Susan Scaffidi, Assistant Director of Corporate and Community Services.

Ms. Roberts said she was involved in the California Partnership of San Joaquin Valley and currently working with Northern California community colleges.

There were no questions from Panel members.

**ACTION:** Mr. Giroux moved and Mr. Rendon seconded approval of the One-Step Agreement for Bakersfield College in the amount of \$498,960.

Motion carried, 5 – 0.

Sonoma County Junior College District, Santa Rosa Junior College

Ms. Cohen presented a One-Step Agreement for Sonoma County Junior College District, Santa Rosa Junior College (SRJC), in the amount of \$309,925. She said SRJC has provided educational services to the business community in Lake, Napa, and Sonoma Counties since 1988. SRJC will retrain employees at companies facing out-of-state competition, including small businesses.

Ms. Cohen introduced Kathleen Kearney, Coordinator of Workforce Training.

Ms. Roberts noted that SRJC struggled to earn the full amount on prior projects and asked if SRJC has re-organized or considered placement in the proposed contract. Ms. Kearney answered in the affirmative and said SRJC now makes sure the trainees are placed with employers before enrollment.

Mr. Giroux asked if SRJC has a film studies program. Ms. Kearney said there was not a significant film studies program but that they offer a broad range of programs that cover almost every occupational area. Mr. Giroux asked about training efforts in the wine industry. Ms. Kearney said in some cases they are cross-training and offering Vocational English as a Second Language (VESL) training. She said SRJC has had positive results as a result of VESL training, and viticulture training. She said this allows individuals who are only doing one aspect of a job to see the whole system. Mr. Giroux asked if they are "feeding" any transfer students into UC Davis. Ms. Kearney said they have a very strong transfer program.

Mr. Gordon commented on the vocational training or “trade tech” aspect of courses offered by community colleges. He suggested enhancing the trade tech program for construction workers offered at the college. Ms. Kearney said she had information about SRJC’s occupational programs and offered it to Mr. Gordon for review.

ACTION: Mr. Gordon moved and Mr. Giroux seconded approval of the One-Step Agreement for SRJC in the amount of \$309,925.

Motion carried, 5 – 0.

American Security Group, Inc.

Ms. Kendrick presented an Amendment for American Security Group, Inc. (ASG), in the amount of \$255,658. She explained that ASG trains security officers/guards, and is certified by the Bureau for Private Postsecondary and Vocational Education.

Ms. Kendrick introduced Manny Vela, President; Susan Valdez, Vice President and Lizzette Matos, Training Coordinator.

Ms. Roberts said the Panel would be considering a moratorium on future security guard proposals, and questioned whether funds should be awarded. Ms. Valdez said her company has had success in placing trainees, although the state licensing requirements may cause some delays. She said that they have 155 students enrolled, and 33 students awaiting licensure by the State of California. She said they have 78 students currently working, for an overall 51.3 percent rate in less than 8 months. She said the security industry has changed dramatically and that, despite concerns about low wages in her opinion, the industry pay scale was competitive.

Ms. Kearney said when ASG last approached the Panel for funding they offered trainees a minimum wage of \$10.00 per hour and benefits, but only because they were providing additional training beyond the state licensing requirements. Even so, ASG had performance problems in reaching that wage at the end of retention.

Ms. Roberts said a moratorium would likely be placed on security guard training proposals until results are proven. She also said that Welfare to Work (W2W) programs have reached ETP’s cap of \$2 million dollars, and any future W2W recipients would be scrutinized.

ACTION: Mr. Rendon moved and Mr. St. John seconded approval of the Amendment for ASG in the amount of \$255,658.

Motion carried, 4 – 0.

Bob Giroux departed the meeting at 11:30 a.m., and was not present for voting on the remainder of projects.

## California State University Dominguez Hills Foundation

Ms. Kendrick presented a One-Step Agreement for California State University Dominguez Hills Foundation (CSUDH), in the amount of \$400,534. She explained that CSUDH is a four year university accredited by the Western Association of Schools and Colleges with present enrollment of over 15,000 students.

Ms. Kendrick introduced Margaret Gordon, Dean and Teresa Stevens, ETP Training Program Coordinator.

There were no questions from Panel members.

ACTION: Mr. Rendon moved and Mr. Gordon seconded approval of the One-Step Agreement for CSUDH in the amount of \$400,534.

Motion carried, 4 – 0.

## Communities in Schools of Southbay, Inc.

Ms. Kendrick presented a One-Step Agreement for Communities in Schools of Southbay, Inc. (CIS), in the amount of \$217,050. She said CIS is an autonomous non-profit, private post-secondary organization which is a part of a growing network of local, community-based agencies addressing joblessness and the needs of low-income individuals and at-risk youth. CIS provides services such as counseling, health and human services, and job skills training to assist economically and socially disadvantaged adults and youths.

Ms. Kendrick introduced Victoria Adams, Associate Director.

Mr. Gordon asked Ms. Adams if she was familiar with Communities in Schools of Los Angeles. Ms. Adams answered in the affirmative. He asked if she works with that organization. Ms. Adams said no, because CIS in Southbay is autonomous and operates separately from other regions, although they are under the umbrella of a national organization.

Ms. Roberts asked how many trainees in the General Office of 50 employees would receive the \$10.75 range. Ms. Adams said approximately 50 percent would receive this wage, although the majority would be earning more than \$10.75. Ms. Roberts noted that CIS only had a 50 percent completion rate for its prior ETP-funded project, and asked what systems are in place to ensure a higher completion rate this time. Ms. Adams explained that prior contract performance was low because of their attempt to serve incumbent workers. This proposal does not include retrainees.

ACTION: Mr. Gordon moved and Mr. Rendon seconded approval of the One-Step Agreement for CIS in the amount of \$217,050.

Motion carried, 4 – 0.

## East San Gabriel Valley Regional Occupational Program and Technical Center

Ms. Kendrick presented a One-Step Agreement for East San Gabriel Valley Regional Occupational Program and Technical Center (ESGV), in the amount of \$299,420. She explained that ESGV is a joint powers agency that provides training, job placement, and related services to community residents, businesses, and educational institutions in a wide range of industries.

Ms. Kendrick introduced Musheer Rasheed, Projects Coordinator of Workforce Development; Eileen Stear, Lead Workforce Development/WASC Coordinator; and Ernie Gomez, Field Human Resources Generalist for 180 Connect.

Ms. Roberts brought up the fact that security guard training is an issue. Mr. Rasheed said the security industry has changed tremendously since July 1, 2004 because of newly-mandated training under state licensure requirements. For this reason, he said, "security guards" are now commonly referred to as "private security officers." He said ESGV is being approached by companies to hire recent graduates of their program. He said they added public safety training, so companies could recruit students for this type of specialized employment at \$12.00 to \$14.00 per hour.

Mr. Rasheed said many companies request fully certified security officers and this includes firearms training and other state licensure requirements in addition to the 45 hours of mandated training. He said all firearms training is conducted at a firing range, and all instructors are former police officers. He said plastic guns are used in classroom training to teach students about gun components.

Mr. Gordon asked if there has been any communication with the Office of Homeland Security regarding security guard standards. Mr. Rasheed said ESGV communicates with state and federal oversight entities to ensure they are compliant with security standards.

ACTION: Mr. Rendon moved and Mr. St. John seconded approval of the One-Step Agreement for ESGV in the amount of \$299,420.

Motion carried, 4 – 0.

## El Camino Community College District, Center for Applied Competitive Technologies (El Camino CACT)

Ms. Kendrick presented a One-Step Agreement for El Camino Community College District, Center for Applied Competitive Technologies (El Camino CACT), in the amount of \$1,561,650. El Camino CACT is a two-year community college that offers customized, job-specific training for business and workers through its Center for Applied Competitive Technologies. El Camino CACT's goal is to assist its participating employers in upgrading the skills of their employees to increase productivity, respond to customer demands, and improve the employment security of California workers.

Ms. Kendrick introduced Cristallea Byun, Director of Training and Development and Deborah Imonti, ETP Training Coordinator.

Ms. Roberts asked if the proposed project would run concurrently with the previously approved contract. Ms. Byun answered in the affirmative. Ms. Roberts was concerned about potential confusion, and asked how the contracts would be kept separate. Ms. Imonti did not anticipate any problems since the training positions for the remaining five and one-half months of the old contract have been allocated, while there are 800 individuals waiting to begin training under the new contract.

ACTION: Mr. St. John moved and Mr. Gordon seconded approval of the One-Step Agreement for El Camino CACT in the amount of \$1,561,650.

Motion carried, 4 – 0.

Santa Clarita Community College District

Ms. Kendrick presented a One-Step Agreement for Santa Clarita Community College District, also known as College of the Canyons (COC), in the amount of \$442,205.

Ms. Kendrick introduced Dena Maloney, Dean of Economic Development; Dr. Mitjl Carvalho Capet, Assistant Superintendent/Vice President of Instruction; and Kristin Houser, Director of Employee Training Institute.

Ms. Roberts expressed concern about performance problems under the recently completed ETP-funded project and asked about COC's expected completion rate. She said there were a number of internal issues that contributed to the low completion rate in the recent agreement, noting that in prior contracts COC had a much higher completion rate. She said issues have been resolved related to low performance, and she is confident that the new project will have an 80 or 90 percent completion rate.

Ms. Roberts inquired, and Ms. Maloney confirmed, that COC has assigned two full-time staff persons to the administration of the new project.

Mr. Gordon asked if COC offers a trade-tech program. Dr. Capet said the college is committed to that course of study, and that occupational training needs are paramount. He said COC is already offering a survey course under its construction management building curriculum, and is building a new campus for vocational studies. Dr. Capet said that COC's focus is on the occupational needs of California, rather than a trade-tech program.

Mr. Gordon said the Department of Transportation and the Department of Labor is reviewing workforce development. He suggested the term "apprenticeship-prep" programs as the most acceptable language. He explained that public requirements and laws are a large issue. He stressed the importance of using the correct terminology "apprenticeship-

prep” programs as future apprentices can then move into second, third, or fourth period apprentices in one of these major crafts. Mr. Gordon applauded COC’s efforts in this area.

ACTION: Mr. Gordon moved and Mr. St. John seconded approval of the One-Step Agreement for COC in the amount of \$442,205.

Motion carried, 4 – 0.

#### Grossmont-Cuyamaca Community College District

Ms. Torres presented a One-Step Agreement for Grossmont-Cuyamaca Community College District (Grossmont College), in the amount of \$169,910. Grossmont College is the larger of the two colleges in the Grossmont-Cuyamaca Community College District. It serves students throughout San Diego County, most of whom reside in East San Diego County. Grossmont College requests funds for training and employment of unemployed CalWORKS recipients as a W2W Pilot Program.

Ms. Torres pointed out the Customer Service Representative occupation outlined in the training plan table and said Grossmont College will work with ETP staff to make this occupational title more specific.

Ms. Torres introduced Frederick Allen Sr. Dean of Business and Professional Studies and Mary Leslie, Lead Instructor of Office Professional Training Program.

Ms. Roberts asked if Grossmont College could raise the minimum wage to \$9.00 per hour, especially in San Diego County. Ms. Leslie said most students advance to entry-level jobs earning between \$10.00 to \$11.00 per hour. She explained that the \$8.50 wage was given in order for W2W individuals to enter into the field. Ms. Roberts had no further questions on this point.

ACTION: Mr. Rendon moved and Mr. St. John seconded approval of the One-Step Agreement for Grossmont College in the amount of \$169,910.

Motion carried, 4 – 0.

#### New Horizons Computer Learning Centers, Inc.

Ms. Torres presented a One-Step Agreement for New Horizons Computer Learning Centers, Inc. (New Horizons), in the amount of \$487,650. New Horizons provides customized training at employer sites, and at its centrally located training facilities, to enable employees of participating employers to increase their IT skills. The New Horizons proposal includes training for frontline workers earning the state average hourly wage.

Ms. Torres introduced Kevin Landry, General Manager and Steve Duscha, administrative consultant.

Ms. Roberts asked how many of the 350 employees would earn the minimum wage of \$11.83 per hour. Mr. Landry said very few would earn only \$11.83 per hour and, upon completion of training, they would quickly progress into other higher-paying positions within the company.

ACTION: Mr. St. John moved and Mr. Rendon seconded approval of the One-Step Agreement for New Horizons in the amount of \$487,650.

Motion carried, 4 – 0.

#### Westech College

Ms. Torres presented a One-Step Agreement for Westech College (Westech), in the amount of \$834,070. Westech is an accredited private vocational school with training facilities in Ontario, Irvine, and Victorville. It is an authorized Intergraph Education Center and ArcCADD training center that specializes in Computer-Aided Design and Drafting (CADD) training and also provides drafting, medical billing and coding, and accounting training.

Ms. Torres introduced Barry Maleki and Steve Duscha, Alliance for ETP.

ACTION: Mr. Rendon moved and Mr. Gordon seconded approval of the One-Step Agreement for Westech in the amount of \$834,070.

Motion carried, 4 – 0.

#### VII. REPORT OF THE ACTING EXECUTIVE DIRECTOR (Out of Order)

Ada Carrillo, Acting Executive Director, had nothing to report.

#### VIII. REPORT OF GENERAL COUNSEL (Out of Order)

Maureen Reilly, General Counsel, had nothing to report.

#### IX. DISCUSSION/ACTION ITEMS

##### Welfare to Work Pilot Program

Mr. Rice, Planning and Research Manager, provided an overview of the policy recommendation regarding Welfare to Work (W2W) training. Mr. Rice stated the Panel implemented a W2W pilot program and included in its FY 2006-07 Strategic Plan the goal of approving up to \$2 million for W2W projects in the current fiscal year. Funding for this trainee population is further supported by an additional requirement that at least 20 percent of all trainees in new hire projects must be W2W trainees. However, the Panel will exceed its funding goal, if all W2W proposals considered at the December 2006 meeting are approved. Therefore, staff proposes placing restrictions on further funding.

Mr. Rice pointed out the following issues for consideration:

- The W2W funding target for FY 2006-07 will be exceeded following this month's Panel meeting.
- The Panel can support the state's W2W employment participation efforts by continuing to fund W2W training as a component of new hire projects.
- W2W training is typically at a high cost for low wage jobs.
- Many W2W contract holders are new, without experience with the Panel's performance-based contracting requirements.
- Results of the W2W pilot projects will not be known until such time as there is sufficient reliable data to evaluate its outcomes.

Staff will evaluate the W2W projects that have been approved to date focusing on recruitment, placement obstacles, employment and security and wage issues with preliminary findings available for budget hearings. He said the final report would be submitted by December 2007.

Mr. Rice said that staff recommends imposing a moratorium on the funding of solely W2W projects. This moratorium applies to W2W funding requests received after December 15, 2006. He also suggested continuing to fund training for W2W eligible individuals provided it is limited to 20 percent of the trainee population in a new hire training project.

There were no questions from Panel members.

ACTION: Mr. Rendon moved and Mr. St. John seconded imposing a moratorium on the funding of solely W2W projects and continuing to fund training for W2W eligible individuals provided it is limited to 20 percent of the trainee population in a new hire training project.

Motion carried, 4 – 0.

### Security Guard Training

Mr. Rice said the Employment Training Panel's enabling legislation requires that the program emphasize training for high-wage, high-skill, secure jobs. He explained that the Panel has exercised caution in considering proposals to fund training for occupations that typically have low wages, high turnover, and lack of career mobility. He said that today they are considering these issues as they pertain specifically to funding security guard training given an increase of proposals in the last 12 months. He said that with today's approvals you will have committed over \$1 million for six projects to fund training for

security guards in the past 12 months. He said that five of the projects were approved in the last six months.

He said in order to maximize ETP's limited funds, while addressing program priorities, it may be appropriate to restrict or limit training that does not ensure high-wage, high skill, secure employment, such as that for security guards. He said staff will conduct a follow-up evaluation of the security guard contracts approved in the past 12 months. He said the evaluation will focus on project performance, placement rates, post-retention wages, and continued employment. He added that the report will be submitted by December 2007.

Mr. Rice said staff recommends imposing a moratorium on the funding of security guard training which would apply to funding requests received after December 15, 2006.

ACTION: Mr. St. John moved and Mr. Gordon seconded imposing a moratorium on the funding of security guard training which applies to funding requests received after December 15, 2006.

Motion carried, 4 – 0.

#### 2005-06 Annual Report

Mr. Rice provided an overview of the 2005-06 Annual Report explaining that the Report is to be provided annually to the Governor and Legislature, reporting on the previous fiscal year activities. Mr. Rice stated that in the report year: a) 224 new contracts were approved to train 80,000 workers; b) 179 contracts approved in prior years were completed; and c) 141 contracts approved prior to FY 2005-06 were still active at the end of the fiscal year.

Mr. Rice summarized major activities and accomplishments described in the report, stating that the Panel: Established fixed-fee rate incentives to target priority industries, such as manufacturing and high technology; Continued to support economic development by approving \$23 million dollars for 29 projects that would create close to 7,000 new jobs; Continued to prioritize small business; Implemented a new nurse training initiative, by approving more than \$4 million for nurse upgrades and other healthcare training projects; and approved almost \$14 million for 69 new projects in high-unemployment areas of the state, with a focus on the "working poor".

He proposed that the Panel approve the Annual Report and direct staff to make any requested changes and delegate final approval to the Acting Executive Director.

There were no questions from Panel members.

Ms. Roberts announced since there was not a quorum present, action was delegated to the Acting Executive Director in consultation with the Chairperson or Vice Chair.

## X. PUBLIC COMMENT

Public Comment was given by Steve Duscha, Alliance for ETP. Mr. Duscha said he is delighted to see the data in the Annual Report states that at the end of the reporting period, ETP has spent \$1 billion dollars in 24 years to train 650,000 people for 65 thousand employers. He said we tend to see the world through the eyes of individual employers and individual trainees, but when all is said and done, we are really accomplishing something.

## XI. ADJOURNMENT

ACTION: Mr. St. John moved and Mr. Gordon seconded to adjourn the meeting at 12:20 p.m.

Motion carried, 3 – 0. (Ed Rendon absent for the vote)



# M e m o r a n d u m

To: Panel Members

Date January 18, 2007

From: Ada Carrillo  
Acting Executive Director

File:

Subject: MEETING SITES FOR JANUARY 2007 – JUNE 2007

DATE	LOCATION
January 26, 2007 <u>Friday</u>	California Environmental Protection Agency (Cal/EPA) Sierra Hearing Room, 2 <sup>nd</sup> Floor 1001 "I" Street, Sacramento, CA 95814 Telephone: (916) 327-5640 (ETP Central Office) FAX: (916) 327-5260 (ETP Central Office)
February 23, 2007 <u>Friday</u>	California Environmental Protection Agency (Cal/EPA) Sierra Hearing Room, 2 <sup>nd</sup> Floor 1001 "I" Street, Sacramento, CA 95814 Telephone: (916) 327-5640 (ETP Central Office) FAX: (916) 327-5260 (ETP Central Office)
March 23, 2007 <u>Friday</u>	San Diego (location to be announced)
April 27, 2007 <u>Friday</u>	California Environmental Protection Agency (Cal/EPA) Sierra Hearing Room, 2 <sup>nd</sup> Floor 1001 "I" Street, Sacramento, CA 95814 Telephone: (916) 327-5640 (ETP Central Office) FAX: (916) 327-5260 (ETP Central Office)
May 24, 2007 <u>THURSDAY</u>	California Environmental Protection Agency (Cal/EPA) Sierra Hearing Room, 2 <sup>nd</sup> Floor 1001 "I" Street, Sacramento, CA 95814 Telephone: (916) 327-5640 (ETP Central Office) FAX: (916) 327-5260 (ETP Central Office)
June 22, 2007 <u>Friday</u>	California Environmental Protection Agency (Cal/EPA) Sierra Hearing Room, 2 <sup>nd</sup> Floor 1001 "I" Street, Sacramento, CA 95814 Telephone: (916) 327-5640 (ETP Central Office) FAX: (916) 327-5260 (ETP Central Office)

**Fund Status Report**  
**Fiscal Year 2006-07**

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Employment Training Fund - Fiscal Year 2006-07	82,074,000
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Other ETF Appropriations:

Dept. of Social Services	(20,000,000)
Department of Industrial Relations	(3,129,000)
Tax Collections Branch	(5,405,000)
State Controllers Office	(67,000)
Additional Pro Rata	(87,000)

Employment Training Panel Appropriation	53,386,000
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Disencumbered Funds Re-Invested	14,000,000
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Amount Available Fiscal Year 2006-07	<hr/> 67,386,000
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ETP Administration	(8,500,000)
EDD Support	(500,000)
Marketing & Research	(425,000)
Pro Rata - Program 50	(693,009)

Prior Year Contract Liabilities	(1) (14,000,000)
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<b>Training Funds Available</b>	<hr/> <b>43,267,991</b>
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Funds Encumbered To Date:	25,199,399
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	Contract Amount	Amount Encumbered
Projects to the Panel - January 2007	12,005,368	4,966,937

<b>Remaining Balance Available</b>	<hr/> <b>13,101,655</b>
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(1) Reserve for prior year contract liabilities.



# M e m o r a n d u m

To: Panel Members

Date: January 26, 2007

From: Ada Carrillo, Acting Executive Director

File:

Subject: PROFESSIONAL EMPLOYER ORGANIZATIONS & PAYROLL COMPANIES

This memorandum discusses the Employment Training Panel's (Panel or ETP) policies with respect to funding temporary employment agencies, professional employer organizations (PEO) and motion picture payroll service companies (payroll companies). The primary question is whether this type of funding furthers program goals, such as job security and wage progression. Ultimately, the Panel may consider whether temporary agencies, PEOs and/or payroll companies are eligible employers.

## Background

As the economy evolves with new technologies and workplace demands, an employment services industry has emerged nationwide -- with temporary agencies placing workers, and PEOs or payroll companies providing services. Their clients typically range from small to mid-size companies, across industry sectors. The extent of their services and responsibilities are governed in part by statute, and are set forth in a contract.

### *Three Employment Models*

In the past, the Panel has considered proposals to train workers employed by temporary agencies, PEOs and payroll companies -- but has denied them due to concerns about job security, wage progression, and eligibility. However, there appear to be important distinctions between these three employment service models:

- 1) Temporary agencies employ workers and place them with client companies to fill short-term staffing needs. The workers usually have specialized skills in blue-collar job classifications. They may work full- or part-time, for a few days or a few months. They may eventually be hired by the client company, but that is not guaranteed, nor is it typical. Salary and benefits are normally paid and administered by the temporary agency and charged to the client company.

- 2) PEOs provide HR support and perform related administrative services for client companies. Typically, PEOs “hire” the client company’s workers and become the employer of record for tax and insurance purposes. Subsequently, the workers are contractually “leased back,” and both the PEO and client become legally obligated as “co-employers”.

The client company pays the PEO in accordance with the extent of services being provided. For example, HR support may include recruitment, training, counseling and dispute resolution. Other services might include payroll processing, where the PEO must deduct taxes and share of costs for benefit payments, before disbursing paychecks. The company may also contract for accounting, recordkeeping, and benefit administration services (e.g., management of a 401K Plan).

As a co-employer, the PEO may negotiate a client company’s cost of insurance coverage. PEOs are typically able to negotiate a more favorable premium rate based on economies of scale and the actuarial advantage of a larger and more varied risk pool. Coverage may include worker’s compensation, unemployment insurance (UI), and medical insurance (e.g., health coverage under a Health Maintenance Organization).

- 3) Payroll companies are unique to the motion picture production industry. They are similar to PEOs insofar as they also provide an array of employment related services and become the employer of record. However, unlike PEOs, they do not enter into a co-employment relationship with their clients, the motion picture production companies. Instead, by contractual and statutory obligation, they assume all employment responsibilities for the production workers. In addition, payroll companies must negotiate the terms and conditions of employment on behalf of these workers, and must be signatory to the collective bargaining agreement. Payroll companies are also distinct from PEOs insofar as they typically quit business operations at the end of a client’s production cycle.

### *Past Actions*

The Panel’s focus in the past has been on whether temporary workers qualify as eligible participants. In general, training for temporary workers has been denied, based on concerns about job security and wage progression, particularly as regards parity between temporary and other workers employed at the same company. The Panel also had concerns about employer eligibility, with reference to the program’s special funding by the Employment Training Tax (ETT).

Research shows that temporary work has three major characteristics: unpredictable work schedules; low wages and inadequate benefits; and, impermanent employer-employee relationships. Given these issues, in 1997 the Panel enacted a regulation to limit placements with temporary agencies for purposes of retention. (See Attachment 1, California Code of Regulations Section 4427, “Retained In

Employment with a Training Agency”). In 2000, the Panel revisited its regulation, but chose to maintain the status quo. At that time, the Panel did not consider the issue of funding training for workers co-employed by PEOs, in part because this employment model was less prevalent seven years ago.

It should be noted that the Panel has made exceptions to fund multiple employer contractor (MEC) proposals in the entertainment industry, where the payroll company model is pervasive. In recent years, the Panel has approved a couple of training proposals by a MEC to retrain motion picture production workers with a payroll company employer of record. In each instance, the payroll company was also a signatory to the collective bargaining agreement.

### *UI Code Parameters*

Temporary agencies are not eligible to contract with the Panel under Title 22, California Code of Regulations Section 4427, as discussed earlier. But this regulation does not bar ETP from funding training for workers who are co-employed by a PEO and its client company, or who are employed by a payroll company under contract with a motion picture production company.

There is no statutory distinction between an employer and co-employer under the Panel's enabling law at UI Code Section 10200 et seq. Historically, staff has determined employer eligibility, for purposes of both enrollment and retention, based on the California Employer Account Number (CEAN) assigned by EDD to the employer of record.

There is now a statutory distinction between an employer, and an employer of record, in the entertainment industry, under a related provision of the UI Code. As discussed earlier, newly-enacted UI Code Section 679 (SB1428) establishes that a payroll company must: (1) supply workers to a motion picture production company; (2) be a collective bargaining agreement signatory; (3) control wages and pay workers from its own account; and (4) be contractually obligated to pay wages even if not reimbursed by the motion picture production company. UI Code Section 679 also requires a payroll company to report its wage payment history to EDD within 10 days of quitting business.

In summary, ETP has set guidelines to fund training for temporary workers. The Panel may also want to consider specific guidelines where PEOs and payroll companies are involved. The legislative history behind newly-enacted UI Code Section 679 (SB 1428) might be instructive in developing guidelines to fund training for workers who are co-employed by a PEO, and for motion picture production workers who are employed by a payroll company.

### Primary Issues for ETP

The Panel's enabling legislation provides that ETP-funded training is to be for secure, high-wage jobs that support the California economy and labor market. Thus, the Panel must also consider the following issues related to this legislative mandate, when determining possible funding for trainees who are co-employed by PEOs or employed by payroll companies:

- Eligibility -- The company at which a trainee is employed must be an "eligible employer" to qualify for ETP funds. In general, this means the company must be subject to payment of the UI tax and the ETT in California on behalf of each trainee.

When a PEO is the co-employer, the liability may be shared. When a payroll company is the employer, even though liability is not shared pursuant to SB 1428, that does not necessarily mean a payroll company would be the proper contract party for purposes of ETP funding.

- Job Security and Wage Progression -- Under the PEO co-employment model, workers have relatively secure jobs. The work takes place at the client company to do the work of the company (e.g., producing "widgets"), but employment services are performed by PEO staff (e.g., hiring, training, negotiating benefits). Job security and wage progression questions arise when considering cases where the client terminates its co-employment contract with the PEO, or vice versa. However, under the payroll company model, a worker's job security, wage progression and continued wage/benefit payments are assured through collective bargaining, even though the duration of each production job may be short-term by nature of the industry.

### Panel Discussion

Representatives of PEOs, payroll companies and the businesses that use their services have been invited to provide input on these, and related issues, at today's meeting. A list of discussion topics is attached (see Attachment 2).

Following this discussion, the Panel might want to choose one of the following options to clarify funding for PEOs or payroll companies, while maintaining the status quo for temporary employment agencies:

- 1) Make no changes to current requirements.
- 2) Direct staff to draft pilot program guidelines and/or proposed regulations to distinguish PEOs from temporary agencies, and to clarify possible funding parameters for training workers who are co-employed under this model.

- 3) Direct staff to draft pilot program guidelines and/or proposed regulations to distinguish payroll companies from PEOs and temporary agencies, and to clarify possible funding parameters for training motion picture production workers who are employed under this model.
- 4) Continue to review proposals on a case-by-case basis to ensure that program goals such as job security and career mobility are satisfied when a PEO is the co-employer.

Attachments

4427. Retained in Employment with a Temporary Agency.

- (a) The Panel may fund training for employees of a temporary employment agency only as set forth herein. Temporary employment agencies employ both permanent and temporary workers. The permanent worker performs administrative duties for the agency, usually on the agency's premises. The temporary worker provides services to clients of the agency ranging from clerical to professional, usually on the premises of the client.
- (b) Employment retention for purposes of a Panel contract will be permitted with temporary employment agencies only in the following circumstances:
  - (1) As permanent workers of temporary employment agencies being retrained, as long as the business meets all other funding requirement criteria.
  - (2) New hire trainees trained under a contract with a consortium/training agency may be retained in employment with temporary employment agencies as temporary workers with the following limitations:
    - (A) These placements shall be only on an incidental basis. Incidental placements are placements of new hire trainees as temporary workers with temporary agencies that were not originally planned when the contract was approved and which are no more than 10 percent of the total actual number of new hires placed into employment under the contract;
    - (B) These placements are not the intent of the project from inception, meaning temporary employment agencies are not acceptable as core group employers in the contract to substantiate employer demand; and
    - (C) These placements must complete a retention period of 180 consecutive days with the same temporary agency before payment is considered earned.

Authority: Section 10205(l), Unemployment Insurance Code.

Reference: Section 10201(g), Unemployment Insurance Code.

Effective: December 4, 1997

## Discussion Topics for PEO & Payroll Company Panelists at January 2007 ETP Meeting

1. Please describe Professional Employer Organizations (PEO) and/or Motion Picture Payroll Services Companies (Payroll Companies) and the range of services/products they provide. How do these models differ from temporary agencies? How common are they in California?
2. What are the reasons a company might contract for the services of a PEO or a Payroll Company?
  - a. What are the advantages/disadvantages for the client company and the PEO or Payroll Company?
  - b. Is there a “standard” contract used between the client company and the PEO or Payroll Company?
3. Based on your experience, describe the nature of the co-employer relationship when the client company contracts with a PEO and/or a Payroll Company.
  - a. What are the shared risks and responsibilities?
  - b. Are the workers temporary or permanent? Are they treated differently than workers where PEOs or Payroll Companies are not involved?
  - c. What happens if the client company terminates its contract with the PEO or Payroll Company, or vice versa? Specifically, what happens to the workers?
4. Are PEOs used more commonly in particular industry sectors, or according to the size of the client company’s business? Why?
5. Do you have any other comments to share with the Panel, regarding PEOs and/or Payroll Companies?

# M e m o r a n d u m

To: Panel Members

Date: January 26, 2007

From: Creighton Chan, Manager

Analyst: A. Nastari

Subject: One-Step Agreement for AVAGO TECHNOLOGIES LTD.

## CONTRACTOR:

- Training Project Profile: Retraining: Companies W/Out-Of-State Competition
- Legislative Priorities: Stimulating Exports/Imports Moving To A High Performance Workplace; Promotion Of California's Manufacturing Workforce
- Type of Industry: Manufacturing
- Repeat Contractor: No
- Contractor's Full-Time Employees
  - Worldwide: 6,300
  - In California: 400
- ETP Trainees Represented by Union: No
- Name and Local Number of Union Representing ETP Trainees: N/A

## CONTRACT:

- Program Costs: \$149,760
- Substantial Contribution: \$0
- Total ETP Funding: \$149,760
- Total In-kind Contribution: \$212,000
  - Trainee Wages Paid During Training: \$212,000
  - Other Contributions:
- Reimbursement Method: Fixed-Fee
- County(ies) Served: Santa Clara

## INTRODUCTION:

Avago Technologies Ltd (Avago), headquartered in San Jose, California, designs, develops, manufactures and supplies components used in cellular phones, data networking and telecom equipments, printers, optical mice, LED lamps and displays, consumer appliances, auto signaling and dashboard illumination, and LCD and plasma televisions. Avago is eligible for standard ETP funding under Title 22 California Code of Regulations, Section 4416(d) because it is a manufacturer.

Avago began in 1961 as the components division of HP Associates, an affiliate of Hewlett Packard. In 1999, HP spun off Agilent Technologies Semiconductors Business Group and (Avago) became the semiconductor products group of Agilent. In December 2005, Agilent sold the semiconductor products group to private investors, which became Avago Technologies Ltd. Due to the separation from Agilent, Avago must rebuild its support functions, install new operational organizations, implement company-wide business practices and processes, and become more efficient.

To meet the company's challenges, Avago must provide its administrative support staff, engineers, managers, and technicians with continuous improvement skills that include problem solving, critical thinking, and project management courses. The training will assist workers to effectively address and resolve complex issues and efficiently develop and design new products allowing Avago to remain a competitive manufacturer and supplier of components for the manufacturing of consumer products.

## MEETING ETP GOALS AND OBJECTIVES:

Avago proposes training that will further the following ETP goals and objectives:

- 1) Foster job retention in industries threatened by out-of-state competition.
- 2) Promote the California manufacturing workforce.
- 3) Assist the company as it expands to new markets which will provide economic growth by stimulating exports.
- 4) Enhance the skills of frontline workers to prepare them for the company's move to a high performance workplace.

TRAINING PLAN TABLE:

Grp/Trainee Type	Types Of Training	No. Retain	No. Class/Lab Videocnf. Hrs.	No. CBT Hrs.	Cost Per Trainee	Hourly Wage After 90 Days
Job 1 Retrainees	MENU: Continuous Improvement Skills	320	24-80	0	\$468	*\$13.51 – \$70.00
Wages After 90-Day Retention						
<u>Occupation</u>						
Administrative & Support Staff						
Engineers and Technicians						
Managers						
<u>Health Benefits Used To Meet ETP Minimum Wage:</u>					<u>Turnover Rate</u>	<u>% Of Mgrs &amp; Supervisors To Be Trained:</u>
* Health benefits of \$1.50 may be added to trainee wages to meet the ETP minimum hourly wage of \$13.51 for Santa Clara County.					10%	10%
<u>Other Employee Benefits:</u>						
The company provides paid holiday, vacation, bereavement and sick leave, as well as a 401 (K) Plan.						

COMMENTS / ISSUES:

➤ *Frontline Workers*

Of the 320 participants in this project, 290 meet the Panel definition of frontline workers under Title 22 California Code of Regulations, Section 4400(ee). The remaining 30 trainees (10 percent) are managers who have direct reports, but over 50 percent of their time is dedicated to managing projects or operations. The managers are not executive level staff and do not set company policy.

➤ *Production During Training*

The proposed Contractor agrees that during ETP-funded training hours, trainees will not produce products or provide services which will ultimately be sold.

RECOMMENDATION:

Staff recommends the Panel approve this project because it will assist Avago in its move to a high performance workplace and in the expansion of its business initiatives, thereby allowing it to remain competitive in the manufacturing industry. Approval of this project would further allow the company to provide secure, high-wage, high-skilled jobs for its workers.

NARRATIVE:

In the past year, Avago experienced a vast change in its organizational structure as it became an independent company due its separation from Agilent Technologies. Avago has had to 1) develop and restructure its management team; 2) reorganized its administrative support, engineering, and production departments; and 3) identify its business initiatives as a privately held semiconductor company.

Avago must meet the customers' demands for new products designs and new products, and must effectively rebuild its departments and support functions with minimal interruption to the workforce. In an effort to create a seamless transition, the company developed a conservative training plan that will take the company through the initial phases of creating a workforce that will identify and resolve issues, and develop processes that can be implemented company-wide. According to Avago representatives, ETP funds will assist the company in its transition to a high performance workplace that will use innovative methods to increase efficiencies in the frontlines through its management team.

Continuous improvement skills will be provided to Administrative and Support Staff, Engineers, Technicians, and Managers. Courses will encompass critical thinking processes which include, concern analysis; problem solving; decision making; planning implementation; and project management skills.

*Commitment to Training*

The company representatives report that the ETP funding will not displace the company's current training programs which include new hire orientation, on-the-job training, basic skills training, including general process and procedures. Additionally, Avago created and implemented its enterprise resource planning system on which training was provided company-wide.

The ETP funds will allow Avago to train a large number of workers and provide a solid foundation for future training. Avago plans to use the proposed training plan in its initial efforts to develop a more structured training program.

SUBCONTRACTORS:

None

THIRD PARTY SERVICES:

California Manufacturing Technology Association, Sacramento, California assisted with the application development at no cost to the contractor.

AVAGO TECHNOLOGIES LTD.

MENU CURRICULUM

Class Lab Hours

24 - 80

Trainees will receive any of the following:

Continuous Improvement Skills

Problem Solving Skills – Critical Thinking

- Concern Analysis
- Root Cause Analysis
- Decision-Making
- Planning & Implementation

Project Management

<p><u>Comment:</u> The parties agree that the training identified in this Curriculum may be revised from time-to-time during the term of this Agreement at the request of Contractor and with the prior written approval of ETP. (See also Section 12 in this Agreement.)</p>
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# M e m o r a n d u m

To: Panel Members

Date: January 26, 2007

From: Diana Torres, Manager

Analyst: K. Campion

Subject: One-Step Agreement for BALBOA INSTRUMENTS, INC.

## CONTRACTOR:

- Training Project Profile: Retraining: Companies W/Out-Of-State Competition
- Legislative Priorities: Promotion of California's Manufacturing Workforce Moving To A High Performance Workplace
- Type of Industry: Manufacturing
- Repeat Contractor: Yes
- Contractor's Full-Time Employees
  - Worldwide: 308
  - In California: 300
- ETP Trainees Represented by Union: No
- Name and Local Number of Union Representing ETP Trainees: N/A

## CONTRACT:

- Program Costs: \$83,160
- Substantial Contribution: \$0
- Total ETP Funding: \$83,160
- Total In-kind Contribution: \$87,500
  - Trainee Wages Paid During Training: \$87,500
  - Other Contributions: 0
- Reimbursement Method: Fixed-Fee
- County(ies) Served: Orange

### INTRODUCTION:

Balboa Instruments, Inc. (Balboa) designs, manufactures, and sells custom electronic solid state controls and related equipment for hot tubs, pools, spas, whirlpool baths, and saunas. The Company's primary products include systems that monitor and control the temperature, water level, and flow of water in pools and spas. Balboa was founded in 1979 and is located in Tustin, California, the site of the proposed training.

Balboa is eligible for funding under the out-of-state competition provisions provided in Title 22 California Code of Regulations (CCR), Section 4416(i) for companies classified as manufacturers under the North American Industrial Classification System. The Company proposes to train 110 frontline workers in the skills necessary to move the Company to a high performance workplace.

### MEETING ETP GOALS AND OBJECTIVES:

Balboa proposes training that will further the following ETP goals and objectives:

- 1) Promote California's manufacturing workforce;
- 2) Foster job retention in industries threatened by out-of-state competition;
- 3) Support companies moving to a high performance workplace environment.

**TRAINING PLAN TABLE:**

Grp/Trainee Type	Types Of Training	No. Retain	No. Class/Lab Videocnf. Hrs.	No. CBT Hrs.	Cost Per Trainee	Hourly Wage After 90 Days
Job Number 1 - Retrainees	MENU: Continuous Improvement, Computer Skills, Manufacturing Skills, Business Skills	110	24 – 120	0	\$756	*\$13.51 – \$42.20
Wages After 90-Day Retention						
<u>Occupation</u>						
Administrative Staff Engineer Lead Production Worker Support Staff Technical Staff Supervisor Manager						
<u>Health Benefits Used To Meet ETP Minimum Wage:</u>					<u>Turnover Rate</u>	<u>% Of Mgrs &amp; Supervisors To Be Trained:</u>
*Health benefits of at least \$2.65 per hour may be added to the trainee's wages to meet the ETP minimum hourly rate for Orange County.					11%	14.5%
<u>Other Employee Benefits:</u>						
In addition to health benefits, the Company offers accidental death and dismemberment insurance, optional life insurance, long term disability, employee assistance program, bereavement leave, vacation, holiday, and sick leave.						

**COMMENTS / ISSUES:**

➤ *Frontline Workers*

All participants in this project meet the Panel definition of frontline workers under Title 22 CCR, Section 4400(ee), except for 16 supervisors and managers, or 14.5 percent of the trainee population.

COMMENTS / ISSUES: (continued)

➤ *Production During Training*

The proposed Contractor agrees that during ETP-funded training hours, trainees will not produce products or provide services which will ultimately be sold.

➤ *Substantial Contribution*

Title 22 CCR, Section 4410, provides, in part, that a substantial contribution of not less than 30 percent shall be imposed on any employer for retraining at a facility which previously benefited from Panel funding under at least two prior panel Agreements at the same facility in the amount of \$250,000 or more. Although this will be the third Agreement between ETP and Balboa Instruments at the Tustin facility, the company has earned less than \$250,000 in ETP reimbursement in the prior two projects. Therefore, no substantial contribution has been applied to the proposed Agreement.

RECOMMENDATION:

Staff recommends that the Panel approve this one-step Agreement based on Balboa's stated need to implement process improvements necessary to move towards a high performance workplace environment. The approval of this proposal will enable the company to remain a viable business in the challenging pool and spa industry.

NARRATIVE:

Balboa's products have evolved through the years from simple spa controls to a myriad of sophisticated pool and spa control devices that take advantage of the latest computer and cellular technologies. Balboa sells its products to spa and pool manufacturers located across the country. To maintain its market share, the Company must continue to produce innovative and high quality products which are delivered on time and meet customer specifications.

In the prior ETP project, Balboa commenced a major training initiative to implement a company-wide, Lean Manufacturing environment and identified 19 projects that would streamline operations, reduce waste and ultimately reduce costs. However, the pool and spa industry experienced a 20 percent downturn in the economy during 2005 and 2006 and Balboa's sales decreased. This decline in business forced the company to cut budgets. As a result, the Lean Manufacturing was put on hold and a substantial amount of planned continuous improvement training, business skills, manufacturing skills and computer skills training was never provided.

Balboa representatives report that sales have improved and the company recognizes that the full implementation of Lean Manufacturing is critical to its future success. Therefore, Balboa would like to finish what it started in the prior ETP project and continue its Lean Manufacturing training. Balboa requests ETP funds to retrain its frontline staff in continuous improvement, computer skills, manufacturing skills, and business skills. Retrainees will receive formal, class/lab training based on their job functions.

NARRATIVE: (continued)

*Continuous Improvement* training will focus on quality, teamwork, and lean manufacturing. All trainees will participate in these modules. Trainees will learn to work in cohesive, high-performing teams to solve problems, implement process improvements and increase customer satisfaction. Trainees will be trained on new processes that will improve product quality and reduce errors across all areas of the company.

*Computer Skills* training is required for trainees who are working on project teams. As a result of the Lean Manufacturing initiative, product quality is being tracked by advanced statistical tools. Trainees must be trained on how to use these computer programs, and how to implement and interpret data. Balboa is also implementing new WEB-based network applications and other sophisticated electronic equipment that allow for remote testing of spa and pool devices via the internet. Engineers need training in the design of new computer languages, network software and computer hardware to support the new system rollouts. Other workers will be trained on the capabilities of these new systems.

*Manufacturing Skills* training will be provided to production staff, engineers, lead workers, technicians, supervisors and managers. Balboa projects that as Lean Manufacturing is implemented, the company will need to change some manufacturing processes. Trainees will learn how to implement new processes and new quality procedures. Correct Operation of Manufacturing Equipment and Understanding Technical Specifications training will help trainees increase their job skills and improve manufacturing production issues and bottlenecks.

*Business Skills* training will improve trainees' abilities to communicate more effectively with both internal and external customers. This training will teach trainees how to establish and maintain lasting relationship with valued clients and future customers, and how to create new ways to market and rollout products. Workers will be tasked to take on more job responsibilities as new products are developed and released.

*Commitment to Training*

Balboa representatives state that the ETP funding under this proposal will not displace any of its resources for training. Currently, Balboa provides new-hire orientation training, safety training, sexual harassment prevention training and on-the-job training. Additionally, some of the training provided in the prior Agreement will continue to be provided at company expense and is not included in the proposed Agreement. This includes Change Management Methods, Computer Networking Skills, Microsoft Excel, Access and PowerPoint, Inspection Procedures, and Support Roles and Responsibilities.

Company representatives report that the proposed training is in new skills never before provided or minimally provided as in the Lean Manufacturing skills. Balboa representatives project that the proposed training will allow the company to fully implement a company-wide, Lean Manufacturing environment quickly and effectively. The company anticipates that the proposed training will enhance workers' ability to solve problems and make decisions that will add value at each level of the organization, ultimately creating a high performance workplace environment.

**SUBCONTRACTORS:**

National Training Company, Inc., Irvine, California – Not to exceed 13 percent of payment earned for Project Administration.

**THIRD PARTY SERVICES:**

National Training Company, Inc., assisted with the design of the training plan and completion of the application documents for a flat fee of \$5,000.

**PRIOR PROJECTS:**

The following are completed project statistics for ETP Agreements with Balboa within the last five years:

PRIOR PROJECTS						
Agreement Number	Location (City)	Term	Contract Amount	Amount Earned	Planned In-kind Contribution	Reported In-kind Contribution
ET02-0188	Tustin	11/26/01 – 11/25/03	\$168,000	\$96,768	\$232,000	\$136,480
ET05-0227	Tustin	12/31/04 – 12/30/06	\$142,740	*\$52,117	\$195,000	\$86,000

*ET02-0188 – The Contractor reported that the downturn in the economy at that time resulted in a reduction in the workforce. Additionally, the high number of training hours was difficult to achieve for some trainees. As a result, the Company achieved a 58 percent completion rate.*

*\*ET05-0227 – The closeout invoice has yet to be submitted on this project. The Contractor projects that Balboa will earn approximately \$52,117 or 36% of the Agreement amount when the final invoice is processed by ETP. According to company representatives, the spa and pool industry had a significant downturn in 2006, which impacted the sales of Balboa products. The company had to cut costs. Rather than lay off employees Balboa decided to reduce other costs. Engineers and other production staff were required to focus on the development of new products and could not be released from work to attend training.*

*This problem is now behind the company. To ensure performance in this new ETP project, Balboa will have a dedicated Training Coordinator who's responsibility will be to focus the company on the training initiatives and drive the training project.*

**Balboa Instruments, Inc.**

**MENU CURRICULUM**

Hours  
Class/Lab

24 – 120

*Trainees will receive any of the following:*

**CONTINUOUS IMPROVEMENT**

- Lean Manufacturing Procedures
- Team Problem Solving
- New Production Processes
- Methods for Implementing Teams
- Reporting and Documentation Procedures
- Product Engineering Techniques

**COMPUTER SKILLS**

- Statistical Software Tools
- Inventory Control
- Internal Customer Applications
- Financial Planning Procedures
- Budgeting Procedures
- Web-based Application Design
- Web-based Application Support Skills

**MANUFACTURING SKILLS**

- Quality Control Procedures
- Correct Operation of Manufacturing Equipment
- Understanding Technical Specifications

**BUSINESS SKILLS**

- Communication (Mentoring and Handling Conflict) Skills
- Techniques and Strategies for Resolving Customer Problems
- FIRST (Putting the Customer First Procedures)
- Expanding Business Market Strategies
- New Product Marketing Techniques and Rollout Procedures

<p><u>Comment:</u> The parties agree that the training identified in this Curriculum may be revised from time-to-time during the term of this Agreement at the request of Contractor and with the prior written approval of ETP. (See also Section 12 in this Agreement.)</p>
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# M e m o r a n d u m

To: Panel Members

Date: January 26, 2007

From: Dolores Kendrick, Manager

Analyst: M. Paccereilli

Subject: One-Step Agreement for BAXTER BIOSCIENCE

## CONTRACTOR:

- Training Project Profile: Retraining: Companies W/Out-Of-State Competition  
SET-Workers Earning At Least State Avg Hrly Rate
- Legislative Priorities: Promotion of California's Manufacturing Workforce  
Moving to a High Performance Workplace
- Type of Industry: Manufacturing
- Repeat Contractor: Yes
- Contractor's Full-Time Employees
  - Worldwide: 60,000
  - In California: 3,000
- ETP Trainees Represented by Union: No
- Name and Local Number of Union Representing ETP Trainees: N/A

## CONTRACT:

- Program Costs: \$197,190
- Substantial Contribution: \$59,160
- Total ETP Funding: \$138,030
- Total In-kind Contribution: \$174,800
  - Trainee Wages Paid During Training: \$174,800
  - Other Contributions: \$0
- Reimbursement Method: Fixed-Fee
- County(ies) Served: Los Angeles

### INTRODUCTION:

This will be the seventh project between Baxter Bioscience (Baxter) and the Employment Training Panel (ETP).

Baxter is a manufacturer of biopharmaceuticals for the treatment of hemophilia, immune deficiencies, and other life-threatening disorders. The company qualifies for standard ETP funding as a manufacturing company facing out-of-state competition under Title 22 California Code of Regulations, Section 4416(b). Baxter proposes to train 46 employees in the skills necessary for the company to operate and maintain its new Los Angeles Fractionation Complex.

The company is also requesting ETP funds to train 15 employees under Special Employment Training (SET) targeted to frontline workers who earn at least the state average hourly wage. This training will be for employees who are newly hired and do not qualify under the standard ETP retrainee criteria.

### MEETING ETP GOALS AND OBJECTIVES:

Baxter proposes training that will further the following ETP goals and objectives:

- 1) To promote California's manufacturing workforce.
- 2) To foster job retention in industries threatened by out-of-state competition.
- 3) To assist a company that is expanding within the State and is committed to investing in the training of its frontline workers.

**TRAINING PLAN TABLE:**

Grp/Trainee Type	Types Of Training	No. Retain	No. Class/Lab Videocnf. Hrs.	No. CBT Hrs.	Cost Per Trainee	Hourly Wage After 90 Days
Job Number 1 Priority Industry Retrainee	MENU: Manufacturing Skills Advanced Technology	46	24 -200	0	\$2,520	\$14.00 \$52.00
Job Number 2 SET Frontline Workers Retrainee	MENU: Manufacturing Skills Advanced Technology	15	24 -200	0	\$1,474	\$22.51 \$40.00
Wages After 90-Day Retention						
<u>Occupation</u>						
Production Operator Maintenance Technician Engineer Quality Assurance Technician Manager Supervisor						
<u>SET FRONTLINE WORKERS</u>						
Production Operator Engineer Maintenance Technician Quality Assurance Technician						
<u>Health Benefits Used To Meet ETP Minimum Wage:</u> Although the employer pays health benefits for employees, the hourly contribution is not being used to meet the ETP minimum wage requirement.					<u>Turnover Rate</u> 15%	<u>% Of Mgrs &amp; Supervisors To Be Trained:</u> 11%
<u>Other Employee Benefits:</u> Paid holidays and vacation; 401K; profit sharing; tuition reimbursement; life insurance; stock purchase plan; long and short term disability benefits.						

COMMENTS / ISSUES:

➤ *Frontline Workers*

All participants in this project meet the Panel definition of frontline workers under Title 22 California Code of Regulations, Section 4400(ee), except for five managers and supervisors, representing 11 percent of the trainee population.

➤ *Production During Training*

The proposed Contractor agrees that during ETP-funded training hours trainees will not manufacture products or provide services which will ultimately be sold.

➤ *Substantial Contribution*

Title 22 California Code of Regulations, Section 4410(a) states in part that:

A substantial contribution of not less than 30 percent of the total Panel training and administrative costs shall be imposed on any employer for retraining at a facility which previously benefited, directly or indirectly, from Panel funding under at least two prior Panel agreements at the same facility in the amount of \$250,000 or more. The substantial contribution is applied only if prior Agreements were within the last five years.

A substantial contribution of 30 percent has been applied to this proposal, because the Los Angeles facility meets the referenced criteria.

➤ *Repeat Contractor*

This will be the third project for the Los Angeles location, which is the facility seeking ETP funding in this proposal.

In its first contract, training included business, computer, continuous improvement, hazardous materials, literacy, management, and manufacturing skills for employees at the old Los Angeles plant.

In the second contract, training focused on the new Los Angeles Fractionation Complex (LAFC). Training included manufacturing skills and advanced technology needed to operate and maintain the new LAFC.

With the recent approval of the of the new LAFC by the Food and Drug Administration (FDA), Baxter is requesting ETP funding for a third contract, which will be a continuation of the second contract. Training will be provided to employees who did not participate in the second contract and for trainees who did not receive all training outlined in the second contract due to delay in the commissioning and validation of equipment and control systems at the new Los Angeles plant.

### RECOMMENDATION:

Staff recommends that the Panel approve this Agreement because it will enable Baxter to adapt to a high performance workplace and foster retention of manufacturing jobs in California. In making this recommendation, staff notes that Baxter is a biopharmaceutical manufacturer, which is among the Panel's targeted industries.

### NARRATIVE:

Baxter was founded in 1931 as the first manufacturer of commercially prepared intravenous solutions. During its first two years, the company distributed products manufactured by another company in Los Angeles. But as demand grew in the Midwest, the need for a more central manufacturing base became apparent. In 1933, the company opened its first manufacturing facility in Glenview, Illinois.

The company, now known as Baxter International, Inc., has grown to become a global healthcare company that, through its subsidiaries delivers critical therapies for people around the world through its three major businesses: Bioscience, Medication Delivery, and Renal. The training in this proposal is for the Los Angeles Fractionation Complex (LAPC), which is a part of the Bioscience division.

Through its Bioscience division, Baxter manufactures plasma-based and recombinant proteins used to treat hemophilia; and other biopharmaceutical products, which includes plasma-based therapies to treat immune disorders, alpha 1 antitrypsin deficiency, and other chronic blood-related conditions; biosurgery products for homeostasis, wound-sealing, and tissue regeneration; and vaccines. The company also manufactures manual and automated blood; and blood-component separation and collection systems.

According to Baxter representatives, the LAFC is implementing a new plasma processing which will significantly change the skills needed for its employees. Training in manufacturing skills will provide trainees the necessary tools to operate and maintain the new plant, such as gowning procedures, cleaning tanks and piping, and chemical transfer systems to name a few. The advanced technology training is directly linked to the new skill requirements driven by the introduction of the Emerson Delta V plant equipment, which represents the most advanced biotechnology and is the backbone of the LAFC. This is an extremely sophisticated system, requiring a low ratio of students, one to ten or less. Combined with the cost of the equipment used for training, per-student course costs are much higher than seen in other curriculum areas.

This proposal will also include training for 15 Special Employment Training (SET) frontline workers. This group, which consists of newly-hired employees who do not meet the eligibility requirement for standard ETP training, will also receive training in manufacturing and advanced technology.

NARRATIVE: (continued)

*Commitment to Training*

Baxter has provided a broad range of training to include management leadership programs, lean manufacturing, project management, and communication skills.

The proposed ETP training will focus on the Los Angeles Fractionation Complex, in which the company has invested over \$200 million. The training is specifically aligned with the technology needs of operating this new plant. The commitment and investment for this plant was made several years ago and the company began breaking ground four years ago. With the recent FDA approval, the LAFC will begin commercial production this year and the company will bring fractionation capacity in the Los Angeles plant up to 3 million liters of plasma by 2009. Increasing worldwide competition has caused the company to be in a more difficult position to afford training.

SUBCONTRACTORS:

None

THIRD PARTY SERVICES:

The applicant states that no third party services were used in the development of the ETP Application.

### PRIOR PROJECTS:

The following are completed project statistics for ETP Agreements with this Contractor within the last five years:

PRIOR PROJECTS						
Agreement Number	Location (City)	Term	Contract Amount	Amount Earned	Planned In-kind Contribution	Reported In-kind Contribution
ET01-0348*	Thousand Oaks	06/30/01 - 06/29/03	\$357,370	\$59,150 (17%)	\$570,000	\$96,900
ET02-0282**	Los Angeles	04/17/02 - 04/16/04	\$499,290	\$65,650 (13%)	\$86,640	\$11,263.20
ET04-0535***	Los Angeles	11/02/04 – 11/01/06	\$546,000	\$236,323 (43%)	\$6,212,514	\$1,553,128

\* *Baxter states that the its low performance was due to several factors: a rise in production demands, the opening of a new production suite, and the implementation of a new product finishing process, all of which impacted the company's ability to release individuals to attend training. This Agreement was for the Thousand Oaks facility, which is not included in this proposal.*

\*\* *Baxter contends that there were several reasons for its performance: during the regular production cycle spontaneous Food and Drug Administration (FDA) inspections occurred which took extra time away from the frontline workers duties; the marketing dynamics were unpredictable; and the product is a delicate, life-saving product that must be given first priority.*

\*\*\* *The low completion rate was due to repeated delays in the commissioning and validation of equipment and control systems at the new Los Angeles Fractionation Complex (LAFC). Baxter anticipated approval from FDA at the beginning of the contract, at which time, the company planned to hire more individuals and transfer employees from the old plant to the new LAFC. Baxter received FDA approval on September 29, 2006, after the training period allowed in this contract. The low completion rate was also due to changes in management and project staff. Most of the training took place towards the middle of the contract term when new staff took over. The same staff will administer this contract stating that they have gained valuable experience during that time in delivering, administering, setting goals, and utilizing the ETP online database, which will allow their organization to be more successful in this proposal.*

*To ensure successful completion of this project, Baxter contends that the proposed training is directly related to urgent business needs of its LAFC. With recent FDA approval, LAFC will begin commercial production this year. Employees need to be trained to operate and maintain the newly validated LAFC.*

**BAXTER BIOSCIENCE**

**MENU CURRICULUM**

Class Lab Hours  
24 - 200

Trainees will receive any of the following:

**MANUFACTURING SKILLS**

Gowning Procedures  
Maintenance concepts and procedures  
COP (Clean Out of Place) cleaning  
CIP (Clean In Place) cleaning tanks and piping  
Semi-automatic buffer preparation  
Automated chemical transfer systems  
Semi-automatic filter presses  
Dedicated equipment  
Semi-Automatic Centrifugation

**ADVANCED TECHNOLOGY**

Emerson Delta V  
Digital Instrumentation  
Calibration  
Emerson System for Plant Control Documentation  
Touch Screen Controls And Alarms  
Sampling Methods and Requirements  
Data Handling Methods  
Exception Handling within the Fractionation Process  
Electronic Batch Record Keeping Concepts  
Production Planning/Batch Processing Requirements  
Clean Room Procedures

<p><u>Comment:</u> The parties agree that the training identified in this Curriculum may be revised from time-to-time during the term of this Agreement at the request of Contractor and with the prior written approval of ETP. (See also Section 12 in this Agreement.)</p>
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# M e m o r a n d u m

To: Panel Members Date: January 26, 2007

From: Dolores Kendrick, Manager Agr. No.: ET07-0267

Analyst: M. Reeves

Subject: SMALL BUSINESS AGREEMENT WITH 100 OR FEWER EMPLOYEES

## CONTRACTOR:

- Contractor's Legal Name: Certified Printers, Inc.
- Type of Industry: Manufacturing
- Nature of Business: Commercial printing, graphics, and copying
- Contractor's Number of Full-Time Employees: 12
  - Number to be trained: 11
- Turnover Rate: 16%
- Repeat Contractor: No

## CONTRACT:

- Training Project Profile: Retraining: Companies W/Out-Of-State Competition
- ETP Funding Amount: \$11,440
- Employer Contribution: \$6,600
- Average Cost per Trainee: \$1,040
- Range Of Hourly Wages At Retention: \$13.51 to \$30.00
- Health Benefits: Yes, but will not be used to meet the ETP minimum wage.
- Occupations to be Trained: Production, Customer Service, Administrative Staff, Manager, Owner
- Training Menu: Business Skills, Continuous Improvement, Manufacturing Skills
- Range of Hours: 8 - 60
- County(ies) Served: Los Angeles
- Union Representation: No
- Subcontractors: To be determined

# M e m o r a n d u m

To: Panel Members

Date: January 26, 2007

From: Diana Torres, Manager

Agr. No.: ET07-0265

Analyst: R. Negrete

Subject: ONE-STEP AGREEMENT FOR \$50,000 OR LESS

## CONTRACTOR:

- Contractor's Legal Name: Dorel Industries
- Type of Industry: Manufacturing
- Nature of Business: Manufacturer of youth furniture and equipment
- Contractor's Total Number of Full-Time Employees: 4,800
  - Worldwide 4,800
  - In California 75
  - Number to be trained: 70
- Turnover Rate: 13%
- Repeat Contractor: No

## CONTRACT:

- Training Project Profile: Retraining: Companies W/Out-Of-State Competition
- ETP Funding Amount: \$49,140
- Employer Contribution: \$51,650
- Average Cost per Trainee: \$702
- Range Of Hourly Wages At Retention: \$12.38 to \$36.05
- Health Benefits: \$1.75
- Occupations to be Trained: Equipment Operators, Manufacturing Staff, Administrative Staff, Supervisors, Managers
- Training Menu: Business Skills, Computer Skills, Continuous Improvement, Management Skills, Manufacturing Skills

- Range of Hours: 8 - 60
- County(ies) Served: San Bernardino
- Union Representation: No
- Subcontractor: Ocean Consulting Group
- Third Party Services: Ocean Consulting Group

**NARRATIVE:**

Dorel Industries (Dorel) manufactures youth furniture and equipment such as baby beds, high chairs, strollers, storage carts, nursery lamps, swings, and monitors. The company qualifies for standard ETP funding as a North American Industry Classification System manufacturer retraining current employees.

According to Dorel representatives, the company needs to retrain its employees in high performance workplace skills to meet customer demands for high quality products and to remain competitive. Dorel management and consultant staff developed a Menu Curriculum consisting of 8 – 60 hours of Business Skills, Computer Skills, Continuous Improvement, Management Skills and Manufacturing Skills training to train 70 retrainees at the company's Ontario facility.

*Commitment to Training*

Company representative states that ETP funding will not displace its own training resources. Dorel normally provides training including: new employee orientation, safety, and basic job skills training, new product updates and new product training for all employees. In addition, it provides sexual harassment prevention, Sarbanes – Oxley requirements, human resources management procedures and employee discipline training for company managers and supervisors. Company funded training is provided by in house staff. Due to resource constraints, the quantity and effectiveness of the training is limited. Consequently, the company is requesting ETP funds to achieve its long-term strategic plans and corporate goals and to adapt to a high performance workplace.

# M e m o r a n d u m

To: Panel Members

Date: January 26, 2007

From: Diana Torres, Manager

Analyst: C. Robinson

Subject: One-Step Agreement for ELGAR ELECTRONICS CORPORATION

## CONTRACTOR:

- Training Project Profile: Retraining: Companies W/Out-Of-State Competition
- Legislative Priorities: Promotion of California's Manufacturing Workforce  
Moving To A High Performance Workplace  
Stimulating Exports/Imports
- Type of Industry: Manufacturing
- Repeat Contractor: Yes
- Contractor's Full-Time Employees
  - *Worldwide:* 297
  - *In California:* 297
- ETP Trainees Represented by Union: No
- Name and Local Number of Union Representing ETP Trainees: N/A

## CONTRACT:

- Program Costs: \$213,840
- Substantial Contribution: \$64,260
- Total ETP Funding: \$149,580
- Total In-kind Contribution: \$228,000
  - *Trainee Wages Paid During Training:* \$228,000
  - *Other Contributions:* \$0
- Reimbursement Method: Fixed-Fee
- County(ies) Served: San Diego

### INTRODUCTION:

Founded in 1965, Elgar Electronics Corporation (Elgar) manufactures programmable power sources and related power products sold under the Elgar or Sorensen brands. The Company's products are used by the aerospace, medical, telecom, semiconductor, and defense industries. Elgar's products include AC power sources, programmable DC power systems/loads, solar array simulators, and integrated rack power subsystem services for use in the automatic test equipment market.

Elgar employs 297 full time employees in its San Diego facility, the site of the proposed ETP-funded training. The Company qualifies for standard ETP funding under Title 22 California Code of Regulations (CCR), Section 4416(i), as an industrially-classified manufacturer retraining current employees.

The proposed training plan represents Elgar's third funded ETP-project, the second within the last five years. Elgar proposes to retrain 270 of its employees in the latest technology for this industry and the skills needed to meet its customer's demands for high quality products and service.

### MEETING ETP GOALS AND OBJECTIVES:

Elgar proposes training that will further the following ETP goals and objectives:

- 1) Promote the retention of California's manufacturing workforce.
- 2) Enhance the skills of its frontline workers to prepare them for employment in a high performance workplace.
- 3) Stimulate exports in industries threatened by out-of-state competition.

TRAINING PLAN TABLE:

Grp/Trainee Type	Types Of Training	No. Retain	No. Class/Lab Videocnf. Hrs.	No. CBT Hrs.	Cost Per Trainee	Hourly Wage After 90 Days
Job Number 1 Retrainee	Menu: Advanced Technology Computer Skills Continuous Improvement Manufacturing Skills	270	24 - 200	-0-	\$554	*\$12.89 - \$62.87
<u>Occupation</u> Managers/Supervisors Engineering Staff Information Technology Staff Purchasing Staff Finance Staff Planners Administrative Staff Sales Staff Material Support Staff Production Staff						
<u>Health Benefits Used To Meet ETP Minimum Wage:</u> *Health Benefits of at least \$1.94 per hour may be applied to the base wage in order to meet the ETP minimum hourly wage of \$12.89 for San Diego County.					<u>Turnover Rate</u> 16%	<u>% Of Mgrs &amp; Supervisors To Be Trained:</u> 15%
<u>Other Employee Benefits:</u> In addition to health, dental and vision, Elgar offers paid sick leave, vacation, 401K, and Tuition Reimbursement.						

### COMMENTS / ISSUES:

#### ➤ *Substantial Contribution*

Elgar's facility in San Diego previously earned more than \$250,000 from Panel funding in two prior ETP Agreements within the past five years. Therefore, Elgar is subject to a substantial contribution and will receive only 70% of the projected training costs.

#### ➤ *Frontline Workers*

Of the 270 retrainees, 229 (85 percent) meet the Panel definition of frontline workers under Title 22 CCR, Section 4400(ee). The remaining 41 retrainees are managers or supervisors (15 percent) none of whom set company policy.

#### ➤ *Production During Training*

The Company agrees that during ETP-funded training hours, trainees will not produce products or provide services which will ultimately be sold.

### RECOMMENDATION:

Staff recommends that the Panel approve the Agreement based on Elgar's need to expand its training efforts across all departments to remain competitive, increase business, create new products, meet changing customer needs, and establish a high performance workplace with improved company operating procedures.

### NARRATIVE:

According to company representatives, Elgar has earned its reputation for quality and reliability by solving complex semiconductor, telecommunication, and measurement/control power needs for its customers. The worldwide business downturn after the events of 2001 created new challenges for the Company in its efforts to retain its position as a leading manufacturer of programmable power sources. Subsequently, new product offerings were slow to be introduced, profit margins were slowly shrinking, and Elgar was being challenged by foreign companies that offered more competitive market strategies to lure new business.

To address the aforementioned issues, Elgar decided to transition its existing internal structure into a more efficient business model and increase new product development efforts. For example, Elgar developed its first digital loop control product, which will be introduced in January 2007, and plans to develop and market even more technologically innovative products. These products will include digital interfaces, internal product "supervisory" tools, and diagnostic capabilities housed within power supply testing systems which will allow customers to modify or exchange software in products rather than replace major hardware components. These plans

NARRATIVE: (continued)

require a major cultural change in its infrastructure of systems, procedures, and product development processes. The Company's goals include developing market growth by using different methods than those being used by its industry competitors and expansion of its product line by offering the latest digital technologies available in the power electronics industry.

Elgar began changing its business model two years ago. However, the Company experienced a key executive leadership change in April 2005. As a result, several topics in Continuous Improvement and Manufacturing Skills could not be delivered to many of the company's engineering and manufacturing employees within the term of the last Agreement. The management transition is now complete and Elgar's leadership team is supportive of the company's newly established business model/market expansion strategies and current training needs.

Elgar developed its first digital loop control product, which will be introduced in January 2007, and plans to develop and market even more technologically innovative products. These products will include digital interfaces, internal product "supervisory" tools, and diagnostic capabilities housed within power supply testing systems which will allow customers to modify or exchange software in products rather than replace major hardware components.

Advanced Technology (AT)

In 2006, Elgar invested over \$230,000 to reconfigure its development lab with new Halt Chamber, humidity/temperature control, liquid nitrogen system equipment, and purchase new engineering software tools including Altera Quantis, IcePaC, compilers, and editing tools, which did not include any related training. This new software will require its engineers to be proficient in various AT skills. Very High Speed Design Language (VDHL) training will allow Elgar to use highly technical and complex processes to improve design efficiency, design uniformity, and product performance. Altera Quartus Design Tool training will allow engineering staff to use the latest applications to design technologically advanced programmable power products. Embedded Linux, Digital Controls and Digital Technology courses will allow Elgar to understand different operating systems in digital technology using embedded code, high frequency/low noise, and design for electro magnetic interference compliance.

Elgar is requesting the AT fixed-fee reimbursement rate of \$26 per hour for advanced training topics to be provided to approximately 71 engineering staff. Up to 168 hours of AT will be delivered to Elgar's engineering staff to give them the tools necessary to design products following a very strict product development process. Company representatives state that the training will be delivered by in-house trainers or vendors at a hourly cost in excess of \$26 and will average \$48.29 per trainer hour. Class size will be limited to between five and 10 students based upon the complexity of the subject matter. Company representatives state that the excess costs of this training above the ETP fixed rate will be paid at the company's expense.

Manufacturing Skills

During 2006, Elgar invested \$590,000 for a wave solder machine, auto insertion machine, and several automatic test systems that will ultimately reduce manufacturing costs to help the company remain competitive. Training, which was not included in the cost of this equipment, is needed for production and material support staff to learn how to use this equipment in the most

NARRATIVE: (continued)

efficient manner. Lean Manufacturing Techniques training for these employees will allow them to identify the sources of waste and opportunities for improvement of the company's manufacturing processes.

Computer Skills

Building on the Computer Skills tools acquired over the past two years, the proposed training plan includes additional topics including Tolerance Analysis, Advanced P-CAD Techniques, and Advanced Solid Works. This training will help Elgar engineering staff become more proficient in its efforts to design/develop more technologically advanced products.

Elgar's goal of implementing new market strategies for growth will be supported by improved management of sales and customer service. The company is in the process of purchasing a Customer Relationship Management (CRM) system at a cost of \$75,000, which did not include any related training. The CRM system will manage the data required to predict sales and track customer information. It will link engineering and manufacturing processes with the marketing and sales of Elgar's products. Proposed training in CRM for engineering, sales, and administrative staff will allow them to understand how the system interfaces with these departments. Training will allow them to support internal/external customer communication and enhance sales performance by tracking marketing efforts.

Continuous Improvement

In Elgar's last ETP Agreement, some Continuous Improvement concepts were initiated throughout the company to support the company's "Culture for Success" initiative. These concepts focused mainly on identification of internal processes that needed improvement. The proposed training in Continuous Improvement topics including Problem Solving, Leadership, Communication Skills, Teamwork, and Advanced Process Mapping will take employees to the next level. Referred to as "Culture for Success Evolved", all employees will receive Continuous Improvement training to implement the previously identified processes needing improvement from the "Culture for Success" initiative. Training will allow Elgar employees to systematically refine business processes and build a more efficient business model.

*Commitment to Training*

State law requires that ETP funds be used to supplement, rather than displace, funds available through existing programs conducted by employers and government-funded programs.

Although Elgar does not have a formal training budget, the company expends approximately \$30,000 annually on tuition reimbursement, informal on-the-job training, new employee orientation, basic product knowledge, and general safety training. This training is conducted on an as needed basis and Elgar will continue to deliver it at the company's expense.

Elgar's representatives state that proposed training has never been delivered in the past, or was not delivered to some employees due to a company management change as discussed

NARRATIVE: (continued)

previously in the narrative, and does not displace its current informally delivered training. ETP funding will allow the company to offer a formal training program for the first time. Without ETP funding, Elgar does not have the necessary resources to deliver such comprehensive training to its employees in a relatively short timeframe. Upon completion of ETP funded training, the company plans to continue training in many of these areas at its own expense.

SUBCONTRACTORS:

None

THIRD PARTY SERVICES:

To be determined.

PRIOR PROJECTS:

The following are completed project statistics for ETP Agreements with this Contractor within the last five years:

PRIOR PROJECTS						
Agreement Number	Location (City)	Term	Contract Amount	Amount Earned	Planned In-kind Contribution	Reported In-kind Contribution
ET00-0309	San Diego	05/08/00 – 05/07/02	\$282,254	\$171,984	*N/A	*N/A
ET05-0145	San Diego	09/01/04 – 08/31/06	\$324,142	**\$86,866	\$394,450	***\$106,501

\* At the time of approval and implementation of this Agreement, ETP policy did not require an employer contribution.

\*\*Elgar states that the poor performance for this Agreement resulted from a change in executive leadership in 2005. As a result, a change in focus altered the training scheduled for many engineering and manufacturing staff. Therefore, some retrainees from this facility did not complete training and the 90-day retention period.

\*\*\* The adjusted in-kind contribution based on actual earnings is \*105,000.

Company representatives state that the training in the proposed Agreement has the full support of Elgar's management team. The team has mandated that the training is a priority and anticipates improved performance for the proposed Agreement.

## *Elgar Electronics Corporation*

### MENU CURRICULUM

Class Lab Hours  
(24-200)

Trainees will receive any of the following:

#### MANUFACTURING SKILLS

- Lean Concepts (manufacturing)
- Electro-Mechanical Assembly Processes & Equipment
- Production Testing Equipment Processes & Equipment
- Material Control and Handling Processes & Equipment

#### COMPUTER SKILLS

- Tolerance Analysis
- Advanced P-Cad Techniques
- Advanced Solid Works Techniques
- Customer Relationship Management (CRM) System

#### CONTINUOUS IMPROVEMENT

- Lean Concepts (non-manufacturing)
- Advanced Process Mapping/Problem Solving
- Leadership Skills
- Communication Skills
- Teamwork Skills

Class Lab Hours  
(0-168)

Trainees will receive any of the following:

#### ADVANCED TECHNOLOGY

- Pspice Advanced Analysis Training
- Practical Very High Speed Design Language (VDHL) Design
- Altera Quartus Design Tool Techniques
- Embedded Linux Training
- Digital Controls for Power Electronics
- Technology Advances in Power Electronics

<p><u>Comment:</u> The parties agree that the training identified in this Curriculum may be revised from time-to-time during the term of this Agreement at the request of Contractor and with the prior written approval of ETP. (See also Section 12 in this Agreement.)</p>
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# M e m o r a n d u m

To: Panel Members Date: January 26, 2007  
From: Ruby Cohen, Manager Agr. No.: ET07-0283  
Analyst: F. Lukka  
Subject: SMALL BUSINESS AGREEMENT WITH 100 OR FEWER EMPLOYEES

## CONTRACTOR:

- Contractor's Legal Name: Emerald Bay Custom Built Houseboats, Inc.
- Type of Industry: Manufacturing
- Nature of Business: Manufacture Houseboats
- Contractor's Number of Full-Time Employees: 15
  - Number to be trained: 13
- Turnover Rate: 15%
- Repeat Contractor: No

## CONTRACT:

- Training Project Profile: Retraining: Companies W/Out-Of-State Competition
- ETP Funding Amount: \$20,280
- Employer Contribution: \$14,607
- Average Cost per Trainee: \$1,560
- Range Of Hourly Wages At Retention: \$12.38 to \$20.90
- Health Benefits: \$1.90
- Occupations to be Trained: General Fabricators and Administration
- Training Menu: Continuous Improvement, Manufacturing, Computer and Business Skills
- Range of Hours: 8 to 60
- County(ies) Served: Butte
- Union Representation: No
- Subcontractors: N/A

# M e m o r a n d u m

To: Panel Members Date: January 26, 2007

From: Dolores Kendrick, Manager Analyst: M. Paccarelli

Subject: One-Step Agreement for GNOMON SCHOOL OF VISUAL EFFECTS

## CONTRACTOR:

- Multiple Employer: Training Agency
- Training Project Profile: Retraining: Companies W/Out-Of-State Competition
- Legislative Priorities: Promotion of California's Manufacturing Workforce Workers In Danger Of Being Displaced
- Type of Industry: Services - Entertainment
- Repeat Contractor: No
- ETP Trainees Represented by Union: No
- Name and Local Number of Union Representing ETP Trainees: None of The Core Group of Employers Is Represented by a Collective Bargaining Agreement

## CONTRACT:

- Program Costs: \$186,750
- Substantial Contribution: \$0
- Multiple Employer Support (8%) \$12,875
- Total ETP Funding: \$199,625
- Total In-kind Contribution: \$327,600
  - *Trainee Wages Paid During Training:* \$280,800
  - *Other Contributions:* \$46,800
- Reimbursement Method: Fixed-Fee
- County(ies) Served: Statewide
- Location of Training: 100% Center Based; 0% Employer Site

## INTRODUCTION:

Gnomon School of Visual Effects (Gnomon) is a private, for profit, training and educational center specializing in high-end computer graphics for the entertainment industry. Gnomon is eligible to contract with the Employment Training Panel under Title 22, California Code of Regulations (CCR), Section 4426(a)(6) as a training agency approved and certified by the Bureau for Private Postsecondary and Vocational Education.

Participating employers will include representatives from all facets of the entertainment industry, which will also include those companies whose primary clients are entertainment production companies. These employers will meet out-of-state competition requirements under Title 22 CCR, Sections 4416(d)(3,4) as service companies facing out-of-state competition, and Section 4416(i)(2) as companies involved in motion picture and video production. Gnomon is requesting Panel funds to retrain 125 incumbent workers from eligible participating employers statewide.

## MEETING ETP GOALS AND OBJECTIVES:

Gnomon proposes training that will further the following ETP goals and objectives:

- 1) Foster job retention in industries that are threatened by out-of-state competition.
- 2) Promote California's manufacturing workforce.
- 3) Target workers who are subject to displacement because of changes in technology or significantly increasing levels of international and out-of-state competition.
- 4) Invest in developing the skills of frontline workers, and to foster job retention of high-wage, high-skilled jobs.

**TRAINING PLAN TABLE:**

Grp/Trainee Type	Types Of Training	No. Retain	No. Class/Lab Videocnf. Hrs.	No. CBT Hrs.	Average Cost Per Trainee	Hourly Wage After 90 Days
Job 1 Retrainee Priority Industries	MENU: Advanced Technology	125	24 -120	0	\$1,597	\$20.00-\$50.00
Wages After 90-Day Retention						
<u>Occupation</u>						
Interactive Digital Media Production Interactive Digital Media Support Staff Motion Picture Production Staff Motion Picture Technical Support TV Production Staff TV Technical Support Staff						
<u>Health Benefits Used To Meet ETP Minimum Wage:</u> Although some participating employers pay health benefits for employees, the hourly contribution is not being used to meet the ETP minimum wage requirement.					<u>Turnover Rate</u> 20%	<u>% Of Mgrs &amp; Supervisors To Be Trained:</u> 20%
<u>Other Employee Benefits:</u> Varies by participating employer						

**COMMENTS / ISSUES:**

➤ *Frontline Workers*

Gnomon will provide training primarily to serve workers who meet the Panel definition of frontline workers under Title 22 CCR, Section 4400(ee). No more than twenty percent of a participating employer's ETP trainees will be managers or supervisors.

➤ *Production During Training*

Gnomon agrees that during ETP-funded training hours, trainees will not produce products or provide services which will ultimately be sold.

COMMENTS / ISSUES: (continued)

➤ *Advanced Technology Training (AT) Fixed Fee Rate*

Gnomon is requesting the Advanced Technology reimbursement rate of \$22.00 per hour for training in high-end digital projection and computer graphics with the latest software and hardware technology. Because of the low ratio of students, 1 to 10 or less, combined with the cost of the equipment used for training, per-student course costs are much higher than seen in other curriculum areas. Gnomon's representatives state that the completion of this highly technical, specialized, and customized training will improve trainees' chances of continued employment in the entertainment industry.

➤ *Center-Based Training*

All training will be conducted at Gnomon's 7,500 square-foot facility in the center of the Hollywood production district, which includes four computer labs with a total of 50 production-level workstations. All systems are 100 base-T networked with Internet access via high-speed DSL (Digital Subscriber Line) service. Classrooms also feature digital-editing systems that allow students to capture video, burn DVD (Digital Versatile/Video Disc), and record VHS (Video Home System). An analog studio is home to courses such as figure drawing and production design.

This project will provide access to training for employers who cannot take equipment and staff out of production to utilize for training purposes; and for small businesses which often lack adequate training facilities, equipment, and in-house trainers with the necessary expertise. Gnomon's representatives stated that the proposed training cannot typically be provided at the employer site because the equipment is too expensive to be non-productive.

To meet ETP's customization requirement, center-based training conducted at Gnomon will be limited to workers from the entertainment industry. The school performs formal assessments on skill levels, topics, and training delivery methods to ensure training is customized to the employers' needs and specifications.

RECOMMENDATION:

Staff recommends that the Panel approve the this proposal based on the industry need for employees with advanced technology skills to meet competitive pressures of the global entertainment industry. California's entertainment industry is faced with a decline in business due to runaway production. Participating employers can keep pace with the latest computer technology through Gnomon's training programs, which will provide their employees with the most current skills to work in the entertainment industry and help keep jobs in California.

NARRATIVE:

Gnomon was founded in 1997 by Alex Alvarez, an engineer for an entertainment software company. Mr. Ramirez spent much of his time at production studios working with digital artists, when he began to realize the need for a school that would teach the tools necessary to produce digital effects animation.

In conjunction with several major studios across Los Angeles, Gnomon's curriculum and facilities have been designed to constantly evolve to reflect any new demands that may arise from the entertainment industry. Gnomon's directors and instructors are industry professionals and consult for studios such as DreamWorks, Disney, Rhythm & Hues, Industrial Light & Magic, Digital Domain, Zoic Studios, Pac-Title/Mirage, Rock Star Games, and Blizzard. Gnomon's goal is to provide a solution for the lack of well-trained digital artists and production staff in the entertainment industry.

*Employer Demand*

Panel policy requires multiple employer contractors provide evidence of employer demand for training.

Gnomon has been working with its Advisory Board and the Association of Digital Effects Production Trainers (ADEPT) to provide well-rounded production and visual effects artists to the film, television, and game entertainment industries. Gnomon conducted surveys and interviews with a number of companies in the entertainment industry to determine both the short and long term training needs of their workforce. These employers conveyed that with the growing demand and constant evolution of technology, training is no longer a luxury but rather a necessity. The training in this proposal will enable industry workers to remain in highly skilled, high wage, secure jobs.

With constantly changing technology in the entertainment industry, it is necessary for workers to be trained in the most current versions of digital software and hardware to improve their chances of continued employment and to help participating employers remain viable in the California economy. Along with these changes, competition has been rapidly developing in other parts of the country and the world, challenging the California entertainment industry.

In 1998, both the Screen Actors Guild and the Directors Guild of America jointly issued a report showing that the total economic impact as a result of United States (U.S.) economic runaway film and television production was \$10.3 billion, up more than fivefold since the beginning of the decade. This impact continued to increase over the past five years. Economic runaway is defined as U.S.-developed feature films, movies for television, TV shows or series, which are filmed in another country for economic reasons. A report, conducted by the international consulting firm, Monitor Company, estimated that the so-called runaway production has cost U.S. entertainment industry workers more than 60,000 full-time equivalent positions in the last three years alone. According to the applicant, more than 20,000 of these positions are in California, where the majority of production companies are based.

NARRATIVE: (continued)

Demand for training continues to grow as the industry attempts to remain globally competitive by becoming more efficient. California-based entertainment products created outside of the state often use post-production, visual effects, and other services from companies located in those areas. Many other states and countries now have a well-developed industry of support services that take business away from California employers. These employers have to compete on price, equipment, and services, but primarily on talent. The companies with up-to-date technology will have the competitive edge to keep and bring business into California.

Based on employer surveys and interviews, Gnomon developed the proposed curriculum for Advanced Technology training which will include non-linear editing platforms, compositing programs; DVD production, motion graphics for video, film, corporate video and multimedia, Photoshop for film and video environment, and animated and interactive web page design.

Gnomon will assess the effectiveness of the training by the continuing use of course evaluations completed by each trainee. In addition, periodic feedback will be requested from participating employers to assure that the training helps to meet their goals.

*Commitment to Training*

The technology in the entertainment industry is changing rapidly and becoming more pervasive. Employees are required to have a wider variety of skill sets to meet the unique needs of various distribution methods. Many employers in the entertainment industry report that they have no formal training program. Even though these businesses recognize the need for training, they have been unable to provide training because of limited resources, lack of qualified trainers, and the inability to use computer resources for training.

In the past, industry employees learned on-the-job, but with technology changes in the industry, such training is no longer possible. The equipment is simply too expensive to be non-productive. In addition, small employers do not have the ability to bring in a trainer for just one or two critical employees. Participating employers stipulated in their Certification Statements that ETP funding will not displace their resources for training.

SUBCONTRACTORS:

Spectra Business Improvement Systems, Arcadia, California, will provide administrative services for an amount not to exceed 13 percent of the payment earned.

THIRD PARTY SERVICES:

Spectra Business Improvement Systems provided assistance in the ETP application at no cost to the applicant.

## GNOMON SCHOOL OF VISUAL EFFECTS

### MENU CURRICULUM

Class Lab Hours  
24 -120

Trainees will receive any of the following:

#### ADVANCED TECHNOLOGY

- Animation & Visual Effects (VFX)
- Engine Editors for Film & Game Entertainment
- Advanced Modeling Tools
- Image-Based Modeling
- 3D Computer Graphics
- 3D Modeling & Texturing Program
- Texture Mapping
- Digital Matte Painting
- Cinematic Composition & Structure
- Previsualization & Animatics
- Character Techniques in Animation
- Compositing
- Digital Sculpting, Texture, and Anatomy
- Environment/Character Workflow Techniques
- Creature Development & Creation for Film & Video Games
- Production Design
- Cinematography for VFX
- Storyboarding/Animatics
- Visual Structure
- Character Maquette Sculpture

Comment: The parties agree that the training identified in this Curriculum may be revised from time-to-time during the term of this Agreement at the request of Contractor and with the prior written approval of ETP. (See also Section 12 in this Agreement.)

Participating Employers in Retrainee/New Hire  
Multiple Employer Contractor (MEC) Agreements  
(ETP 100B)

Contractor's Name: Gnomon School of Visual Effects

CCG No.: ET07-0274

Reference No: 07-0219

Page 1 of 2

PRINT OR TYPE

Company: Gentle Giant

Address: 7511 N. San Fernando Rd.

City, State, Zip: Burbank, Ca. 91505

Contact Person/Title: Scott Spencer, Digital Supervisor

Telephone No.: 818-504-3554

Collective Bargaining Agreement(s): No

Total # of full-time company employees worldwide: 87

Total # of full-time company employees in California: 87

Estimated # of employees to be retrained or hired under this Agreement: 25

Company: Radium

Address: 720 Wilshire Blvd. Suite #200

City, State, Zip: Santa Monica, Ca. 90401

Contact Person/Title: Brad Reinke, Operations Manager

Telephone No.: 310-656-0156

Collective Bargaining Agreement(s): No

Total # of full-time company employees worldwide: 60

Total # of full-time company employees in California: 60

Estimated # of employees to be retrained or hired under this Agreement: 10

Company: Reality Check Studios

Address: 6100 Melrose Ave.

City, State, Zip: Los Angeles, Ca. 90038

Contact Person/Title: Andrew Heimbald, President

Telephone No.: 323-465-3900

Collective Bargaining Agreement(s): No

Total # of full-time company employees worldwide: 32

Total # of full-time company employees in California: 31

Estimated # of employees to be retrained or hired under this Agreement: 15

Participating Employers in Retrainee/New Hire  
Multiple Employer Contractor (MEC) Agreements  
(ETP 100B)

Contractor's Name: Gnomon School of Visual Effects

CCG No.: ET07-0274

Reference No: 07-0219

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PRINT OR TYPE

Company: Sony Pictures Imageworks

Address: 9050 W. Washington Blvd.

City, State, Zip: Culver City, Ca. 90232

Contact Person/Title: Sande Scoredos, Executive Director

Telephone No.: 310-840-8312

Collective Bargaining Agreement(s): No

Total # of full-time company employees worldwide: 151,400

Total # of full-time company employees in California: 5,700

Estimated # of employees to be retrained or hired under this Agreement: 15

# M e m o r a n d u m

To: Panel Members Date: January 26, 2007  
From: Ruby Cohen, Manager Agr. No.: ET07-0280  
Analyst: R. Russell  
Subject: SMALL BUSINESS AGREEMENT WITH 100 OR FEWER EMPLOYEES

## CONTRACTOR:

- Contractor's Legal Name: Ingomar Packing Company, LLC
- Type of Industry: Manufacturing
- Nature of Business: Food Processing Company
- Contractor's Number of Full-Time Employees: 78
  - Number to be trained: 33
- Turnover Rate: 12%
- Repeat Contractor: No

## CONTRACT:

- Training Project Profile: Retraining: Companies W/Out-Of-State Competition
- ETP Funding Amount: \$21,780
- Employer Contribution: \$33,034
- Average Cost per Trainee: \$660
- Range Of Hourly Wages At Retention: \$13.00 to \$60.00
- Health Benefits: N/A
- Occupations to be Trained: Customer Service, Sales, Accounting, Clerical, Electricians, Mechanics, Managers, Supervisors
- Training Menu: Business Skills, Computer Skills, Continuous Improvement Skills, Manufacturing Skills, Commerical Skills, and Management Skills
- Range of Hours: 8 - 60
- County(ies) Served: Merced, Stanislaus, Fresno, Sacramento, Contra Costa, and San Francisco
- Union Representation: No
- Subcontractors: Yet to be determined

# M e m o r a n d u m

To: Panel Members Date: January 26, 2007  
From: Creighton Chan, Manager Agr. No.: ET07-0279  
Analyst: A. Nastari  
Subject: SMALL BUSINESS AGREEMENT WITH 100 OR FEWER EMPLOYEES

## CONTRACTOR:

- Contractor's Legal Name: LogicVision, Inc.
- Type of Industry: Services
- Nature of Business: Software development
- Contractor's Number of Full-Time Employees: 63
  - Number to be trained: 28
- Turnover Rate: 11%
- Repeat Contractor: No

## CONTRACT:

- Training Project Profile: Retraining: Companies W/Out-Of-State Competition
- ETP Funding Amount: \$42,224
- Employer Contribution: \$100,000
- Average Cost per Trainee: \$1,508
- Range Of Hourly Wages At Retention: \$13.51 to \$44.23
- Health Benefits: N/A
- Occupations to be Trained: Engineers; Marketing, Sales, and Administrative Staff; Managers; Supervisors
- Training Menu: Business, Computer, Commercial, and Continuous Improvement Skills
- Range of Hours: 8-60
- County(ies) Served: Santa Clara
- Union Representation: No
- Subcontractors: Stanford University, Palo Alto, California

# M e m o r a n d u m

To: Panel Members

Date: January 26, 2007

From: Dolores Kendrick, Manager

Agr. No.: ET07-0275

Analyst: N. Weingart

Subject: ONE-STEP AGREEMENT FOR \$50,000 OR LESS

## CONTRACTOR:

- Contractor's Legal Name: MedPoint Management, Inc.
- Type of Industry: Services
- Nature of Business: Medical Management and Consulting
- Contractor's Total Number of Full-Time Employees: 70
  - *Worldwide* 70
  - *In California* 70
  - *Number to be trained:* 14
- Turnover Rate: 5%
- Repeat Contractor: No

## CONTRACT:

- Training Project Profile: SET-Workers Earning At Least State Avg Hrly Wage
- ETP Funding Amount: \$36,960
- Employer Contribution: \$48,000
- Average Cost per Trainee: \$2,640
- Range Of Hourly Wages At Retention: \$22.51 to \$40.68
- Health Benefits: \$1.51
- Occupations to be Trained: Utilization Review and Management Staff, Information Systems Staff, Quality Management Staff, Finance Staff, Administrative Staff
- Training Menu: Business Skills, Computer Skills, Continuous Improvement

- Range of Hours: 24-120
- County(ies) Served: Los Angeles
- Union Representation: No
- Subcontractor: Strategic Business Solutions, LLC, Visalia, California for project administration in an amount not to exceed 13% of payment earned.
- Third Party Services: Strategic Business Solutions, LLC, Visalia, California for project development for a flat fee of \$4,000.

## NARRATIVE

A company spokesperson states that MedPoint Management, Inc. (MedPoint) in Woodland Hills, California was founded in 1987 and has enjoyed steady growth. The company provides management consulting and other services to health groups and physicians offices throughout Los Angeles County, specifically targeting health plans that serve non-profit groups that represent underserved populations of Los Angeles that qualify for free and low cost health care. MedPoint's services include claims processing, customer service, health plan contract negotiation, utilization management consulting, claims audit review, provider education, credentialing, information systems, and quality reviews.

MedPoint is experiencing tremendous growth and needs to increase capacity and efficiency to continue to offer affordable, high quality services to its clients. The company hopes to accomplish this through computer automation, improved business skills, and continuous improvement measures. MedPoint feels that training in these areas will empower employees to re-engineer operations and transform the company into a high performance workplace. Training will increase employee skills and allow workers to function at a higher level in a fast-paced, professional environment. Employment Training Panel funds will help mitigate the costs associated with change, and assist MedPoint in delivering the quality and quantity of training needed to improve operations.

## Waivers

### *High Training Costs*

This Agreement provides training that will potentially be reimbursed at more than twice the ETP average cost per trainee (\$2,492). Some, possibly all, of the 14 trainees may receive up to 120 hours of training at a maximum reimbursement of \$2,640 (120 hours x \$22/hour for small business). These trainees are key employees who will be responsible for initiating and implementing changes in their respective departments. They will also be training and assisting co-workers (non-ETP eligible staff) to make sure they are integrated into the new high performance environment. To do this, these trainees must be the most knowledgeable and are, therefore, scheduled to receive the maximum number of training hours available.

# M e m o r a n d u m

To: Panel Members Date: January 26, 2007

From: Dolores Kendrick, Manager Analyst: M. Tolentino

Subject: One-Step Agreement for NEW TECHNOLOGY TRAINING INSTITUTE

## CONTRACTOR:

- Multiple Employer: Training Agency
- Training Project Profile: Job Creation: Training Of Unemployed Workers  
SET- CalWORKS Recipients
- Legislative Priorities: Displaced/Potentially Displaced Workers
- Type of Industry: Services
- Repeat Contractor: No
- ETP Trainees Represented by Union: No
- Name and Local Number of Union  
Representing ETP Trainees: N/A

## CONTRACT:

- Program Costs: \$80,240
- Substantial Contribution: \$0
- Multiple Employer Support (8%) \$5,125
- Total ETP Funding: \$85,365
- Total In-kind Contribution: \$0
  - *Trainee Wages Paid During Training:* \$0
  - *Other Contributions:* \$0
- Reimbursement Method: Fixed-Fee
- County(ies) Served: Statewide
- Location of Training: 100% Center Based; 0% Employer Site

**INTRODUCTION:**

New Technology Training Institute (NTTI) is eligible to contract with ETP as a training agency under Title 22 California Code of Regulations (CCR), Section 4400(z). NTTI is requesting ETP funds to train and place 16 new-hire trainees and four CalWORKS eligible trainees.

**MEETING ETP GOALS AND OBJECTIVES:**

NTTI proposes training that will further the following ETP goals and objectives:

- 1) Foster job creation by training and placing displaced workers.
- 2) Help CalWORKS recipients find secure jobs with a steady wage progression.

**TRAINING PLAN TABLE:**

Grp/Trainee Type	Types Of Training	No. Retain	No. Class/Lab Videocnf. Hrs.	No. CBT Hrs.	Cost Per Trainee	Hourly Wage After 90 Days
Job Number 1 New Hire	Computer Skills	20	208	0	\$3,762	\$18.00-\$40.00
Job Number 2 Welfare-to-Work	Computer Skills	5	112	0	\$2,025	*\$12.38 - \$16.00
Wages After 90-Day Retention						
<u>Occupation</u>						
Network and Internetwork Engineer Office Administrator						
<u>Health Benefits Used To Meet ETP Minimum Wage:</u> *Health benefits may be added to a trainee's base wage in order to meet the ETP minimum hourly wage of \$13.51 for Alameda, Contra Costa, Los Angeles, Marin, Orange, San Francisco, San Mateo, Santa Clara and Santa Cruz Counties; \$13.16 for Sacramento County; \$12.89 for San Diego County; \$13.12 for Ventura County; and \$12.38 for all other counties.					<u>Turnover Rate</u> N/A	<u>% Of Mgrs &amp; Supervisors To Be Trained:</u> N/A
<u>Other Employee Benefits:</u> Other employee benefits vary by participating employer.						

**COMMENTS / ISSUES:**

➤ *Frontline Workers*

All participants in this project meet the Panel definition of frontline workers under Title 22 CCR, Section 4400(ee).

➤ *Production During Training*

The proposed Contractor agrees that during ETP-funded training hours, trainees will not produce products or provide services which will ultimately be sold.

**RECOMMENDATION:**

Staff recommends that the Panel approve this Agreement. This training will provide unemployed workers and CalWORKS recipients, an opportunity to gain skills that will lead to fulltime employment.

**NARRATIVE:**

Founded in November 1999 by Maro Samkian and Hamid Kowsari, NTTI is a private for profit, training institution specializing in advanced information technology training courses and several medical training programs.

NTTI was originally approved by the Bureau for Private Postsecondary and Vocational Education on January 24, 2001 and has received accreditation status on November 5, 2006 by the Council on Occupational Education.

NTTI representatives report that the networking and internetworking environment is a very dynamic field. Virtually all companies, small and large, have computer network and internetwork environment that requires professionals with a very high level of expertise to handle them. An ever changing networking and internetworking technology is constantly creating new market and new demands that require new skills and higher level of expertise to remain competitive in the market, gain employment or to remain employed. Due to the complexities of training in this field, it is practically impossible for many companies to provide training on their own. On the other hand, many individuals with prior experience in the computer field are unable to find employment because they do not have the experience and knowledge in the advances made in the industry and desperately need training in this field.

NTTI is proposing to train new-hire trainees in Computer Skills training particularly in Cisco Certified Network Associate to provide trainees information and skills sufficient to identify and recommend the best Cisco solutions for small to medium-sized businesses and in Cisco Certified Network Professional to prepare trainees to install and/or configure a network to increase bandwidth, quicken network response times, improve reliability, and quality of service.

NTTI is requesting ETP funds to also train CalWORKS recipients. NTTI representatives report that majority of all of the businesses and government departments are now using Microsoft (MS) office applications on a daily basis. MS Word is used for word processing, MS Excel for organizing their daily revenue and expenses and MS Access for data base application. Training in Computer Skills training specifically in MS Office applications will provide CalWORKS recipients the knowledge and skills necessary to use Microsoft office applications efficiently and to obtain gainful employment as office administrators, handling office duties in the areas of word Processing, Spreadsheet, data base, and FrontPage.

NARRATIVE: (continued)

*Employer Demand*

Panel policy requires multiple employer contractors provide evidence of employer demand for training.

NTTI representatives state that they participate in different meetings of Workforce Investment Boards, Veteran meetings, Women Business Forums and Chambers of Commerce and meet with business IT managers and supervisors in various industries to update the institute's understanding of the market and employers' training needs. NTTI representatives also meet with their employer advisory board which advises the institute as to the changes in the industry, new technological developments, changes in the market demands, changes in training requirements and conducts evaluation of its training curriculum to determine necessary updates.

NTTI representatives indicate that its training curriculum was developed based on their market research and experience in placing its graduates in the IT industry, particularly in the network and internetwork technologies.

According to NTTI representatives, the institute advertises in industry-specific magazines and periodicals as a channel for marketing and recruitment of trainees and prospective employers for placement. Also, NTTI staff has established extensive contacts and working relationships with EDD, Workforce Center offices, the Department of Public Social Services and GAIN offices in Los Angeles providing them access to many qualified unemployed workers (dislocated workers) or CalWORKS recipients who are interested in its training programs to facilitate their future employment in respective industries.

Trainees are chosen from dislocated workers who have not been able to gain employment due to lack of knowledge and experience with the newest technological advances. NTTI conducts interviews to ensure that trainees have some experience or knowledge in creating a network; Transmission Control Protocol/Internet Protocol (TCP/IP), Linux, Unix and Novell. These individuals cannot find employment and desperately need training in these advanced technologies to gain employment as network and internetwork engineers.

SUBCONTRACTORS:

None

THIRD PARTY SERVICES:

The applicant states that consultants have not or will not be used to provide services.

*New Technology Training Institute*

MENU CURRICULUM

CLASS/LAB HOURS  
208

Job Number 1 (New Hire)

Type of Training: Computer Skills

- Cisco Certified Network Associate course
  - Cisco Certified Network Professional
1. Building Scalable Cisco Internetworks
  2. Building Cisco Multilayer Switched Networks
  3. Building Cisco Remote Access Networks
  4. Cisco Internetwork Troubleshooting Support

CLASS/LAB HOURS  
112

Job Number 2 (Welfare-to-Work)

Type of Training: Computer Skills

- MS Office User Specialist
1. Microsoft Office Word 2003
  2. Microsoft Office Excel 2003
  3. Microsoft Office Access 2003
  4. Microsoft Office FrontPage 2003

<p><u>Comment:</u> The parties agree that the training identified in this Curriculum may be revised from time-to-time during the term of this Agreement at the request of Contractor and with the prior written approval of ETP. (See also Section 12 in this Agreement.)</p>
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# M e m o r a n d u m

To: Panel Members Date: January 26, 2007

From: Dolores Kendrick, Manager Agr. No.: ET07-0289

Analyst: M. Paccerelli

Subject: SMALL BUSINESS AGREEMENT WITH 100 OR FEWER EMPLOYEES

## CONTRACTOR:

- Contractor's Legal Name: NHK Laboratories, Inc.
- Type of Industry: Manufacturing
- Nature of Business: Manufacturer of dietary supplements, functional food, and pharmaceutical
- Contractor's Number of Full-Time Employees: 90
  - Number to be trained: 35
- Turnover Rate: 11%
- Repeat Contractor: No

## CONTRACT:

- Training Project Profile: Retraining: Companies W/Out-Of-State Competition
- ETP Funding Amount: \$49,140
- Employer Contribution: \$30,408
- Average Cost per Trainee: \$1,404
- Range Of Hourly Wages At Retention: \$13.51 to \$33.72
- Health Benefits: \$2.50
- Occupations to be Trained: Production Worker; Administrative Staff; Manager
- Training Menu: Business Skills, Computer Skills; Continuous Improvement; Manufacturing Skills; Literacy Skills
- Range of Hours: 8 to 60

- County(ies) Served: Los Angeles
- Union Representation: No
- Subcontractors: Lexicon Training Services (Los Angeles, California) will provide administrative services for an amount not to exceed 10% of the payment earned and all training for \$44,226.

# M e m o r a n d u m

To: Panel Members Date: January 26, 2007

From: Dolores Kendrick, Manager Agr. No.: ET07-0288

Analyst: N. Weingart

Subject: SMALL BUSINESS AGREEMENT WITH 100 OR FEWER EMPLOYEES

## CONTRACTOR:

- Contractor's Legal Name: Oasis Air Conditioning, Inc.
- Type of Industry: Construction
- Nature of Business: Heating and Air Conditioning
- Contractor's Number of Full-Time Employees: 47
  - Number to be trained: 28
- Turnover Rate: 5%
- Repeat Contractor: No

## CONTRACT:

- Training Project Profile: SET-Workers In High Unemployment Areas
- ETP Funding Amount: \$43,680
- Employer Contribution: \$30,240
- Average Cost per Trainee: \$1,560
- Range Of Hourly Wages At Retention: \$12.38 to \$26.00
- Health Benefits: \$1.00
- Occupations to be Trained: Service Technician, Installer
- Training Menu: Commercial Skills
- Range of Hours: 8-60
- County(ies) Served: Kern
- Union Representation: No
- Subcontractors: N/A

## COMMENTS

This Agreement will provide funding for journey level upgrade training.

Unemployment Insurance Code, Section 10200 (a)(4) states in part that it is the intention of the Legislature that programs developed pursuant to this Chapter shall not replace, parallel, supplant, compete with or duplicate in any way already existing approved apprenticeship programs.

The ETP Apprenticeship Training Policy states in part:

“When journey-level upgrade training is being considered for trades with DAS approved apprenticeship programs, the following shall apply:

A. The applicant seeking the contract must be a DAS approved apprenticeship program or be participating in a DAS approved apprenticeship program; or

B. Journey-level workers receiving the training must have completed a DAS approved apprenticeship program –or- have worked the equivalent number of hours required by the DAS for completion of an apprenticeship in the industry in which they are to receive training.”

Information from a representative of the Los Angeles & Orange Counties Air-Conditioning & Refrigeration J.J.A.T.C. (which oversees the Kern Country program) indicates that the apprenticeship program for occupations in this industry is comprised of 5 years of classroom and on-the-job training.

Therefore, for purposes of this contract, only workers who have been employed five years or longer in the heating and air conditioning industry and are considered journey level workers are eligible to participate in the ETP training program.

In addition, training under the Special Employment Training (SET) category is for frontline workers only; managers and supervisors are not eligible to participate in training.

# M e m o r a n d u m

To: Panel Members Date: January 26, 2007

From: Dolores Kendrick, Manager Analyst: N. Weingart

Subject: One-Step Agreement for SOUTHEAST AREA SOCIAL SERVICES FUNDING  
AUTHORITY (W2W)

## CONTRACTOR:

- Multiple Employer: Grant Recipient
- Training Project Profile: Job Creation: Training Of Unemployed Workers
- Legislative Priorities: Promotion of California's Manufacturing Workforce  
Displaced Workers and CalWORKS Recipients
- Type of Industry: Manufacturing
- Repeat Contractor: No
- ETP Trainees Represented by Union: No
- Name and Local Number of Union Representing ETP Trainees: N/A

## CONTRACT:

- Program Costs: \$102,000
- Substantial Contribution: \$0
- Multiple Employer Support (8%) \$6,510
- Total ETP Funding: \$108,510
- Total In-kind Contribution: \$0
  - Trainee Wages Paid During Training: \$0
  - Other Contributions: \$0
- Reimbursement Method: Fixed-Fee
- County(ies) Served: Los Angeles, Orange, Ventura, Riverside, San Bernardino
- Location of Training: 100% Center Based; 0% Employer Site

## INTRODUCTION

The Southeast Area Social Services Funding Authority (SASSFA), a workforce development program, is eligible to contract with ETP under Unemployment Insurance Code 10205(c)(4) as a WIA grant recipient. SASSFA is requesting ETP funds to conduct a new hire training program for unemployed workers who are either collecting unemployment insurance or who have exhausted a claim within the past 24 months; and for unemployed CalWORKS recipients who are either eligible for or receiving CalWORKS benefits at the start of training, or have been receiving benefits within a year of the start of training. Individuals will be trained and placed into various manufacturing jobs in the machine trades industry.

## MEETING ETP GOALS AND OBJECTIVES

The SASSFA proposes training that will further the following ETP goals and objectives:

- 1) Train and place displaced workers.
- 2) Support training for priority industries in California.
- 3) Support training for CalWORKS recipients or recent exhaustees.

TRAINING PLAN TABLE

Grp/Trainee Type	Types of Training	No. Retain	No. Class/Lab Videocnf. Hrs.	No. CBT Hrs.	Cost Per Trainee	Hourly Wage After 90 Days
New Hire Job Number 1	MENU: Manufacturing Skills Literacy Skills	24	108-200	0	\$3,617 average	*\$10.81 - \$22.00
New Hire W2W Job Number 2	MENU: Manufacturing Skills Literacy Skills	6	108-200	0	\$3,617 average	*\$10.81 - \$22.00
Wages After 90-Day Retention						
<u>Occupation</u>						
Machinist Tool & Die Maker CNC Machine Operator						
<u>Health Benefits Used To Meet ETP Minimum Wage:</u> *Health benefits will vary by employer and may be applied to the base wage in order to meet the ETP minimum wage of \$11.26 per hour for Los Angeles and Orange Counties; \$10.94 per hour for Ventura County; and \$10.81 per hour for Riverside and San Bernardino counties.					<u>Turnover Rate</u> N/A	<u>Percent of Managers &amp; Supervisors To Be Trained:</u> N/A
<u>Other Employee Benefits:</u> Other employee benefits will vary by employer.						

COMMENTS / ISSUES:

➤ *Frontline Workers*

All participants in this project will meet the Panel definition of frontline workers under Title 22 California Code of Regulations, Section 4400(ee).

➤ *Production During Training*

The proposed Contractor agrees that during ETP-funded training hours, trainees will not produce products or provide services which will ultimately be sold.

➤ *Other Public Funds*

Co-enrollment of trainees in the WIA program will provide funds for transportation, childcare, uniforms, and other ancillary support services that are not funded by ETP.

RECOMMENDATION:

Staff recommends that the Panel approve this proposal because this program will train and place unemployed individuals and CalWORKs eligible trainees into good paying jobs with the prospect of long-term job security.

NARRATIVE:

The Southeast Area Social Services Funding Authority (SASSFA), established in 1979, has been a long-term workforce development program provider under the CETA, JTPA, and now WIA program for the County of Los Angeles. SASSFA currently operates the one-stop WorkSource Center in Santa Fe Springs to meet the needs of job seekers and businesses within its service area of Pico Rivera, Santa Fe Springs, Whittier, La Mirada, Paramount and adjacent unincorporated areas of Los Angeles County. The Center also administers special programs for many distinct client groups including dislocated workers, CalWORKS participants, low-income individuals, seniors, and youth. The Center's goal is to provide social, economic development, educational, employment, and business services to people of all ages to enhance the lives and livelihood of the community.

According to the SASSFA representative, a large number of machining industry jobs currently exist and will increase in the near future due to expanding business in several manufacturing sectors and a surge in baby boomer retirements. SASSFA staff states that workers with a thorough background in machine operations, exposure to a variety of machines and equipment, and a good working knowledge of metals and plastics are in demand by many companies in the local labor market. To fill employer needs for skilled machinists, tool and die makers, and CNC machine operators, SASSFA has aligned itself with Cerritos College to develop an accelerated Manufacturing Skills training program to update the vocational skills of experienced machinists and machine operators who have been displaced from prior jobs. In addition to job-specific courses, a Vocational English as a Second Language (VESL) curriculum has been designed to improve communication skills, job skills, and enhance employability of those with limited English-speaking ability.

NARRATIVE: (continued)

Manufacturing Skills training will take place on the Cerritos College campus; VESL training will be given at the SASSFA facility. There will be two instructors per class to provide individual assistance and mentoring to trainees who may need additional help updating their skills. In addition, trainees will be required to attend several SASSFA-funded workshops in On-Line Job Search, Interviewing Skills, and Resume Writing, and will have the option to attend a bilingual Intro to Computers workshop.

*Trainee Recruitment and Job Placement*

SASSFA will recruit and screen eligible trainees that have been pre-assessed (for math and reading levels and current job skills) by Cerritos College, and will conduct orientations to find interested applicants. The majority of trainees will be recruited by mail from the Rapid Response Unit database, from CalWORKS recipient files, and from WIA participants. Cerritos College also recruits twice yearly for Fall and Spring semester classes. SASSFA and Cerritos College will work together to secure job placement after completion of training. A SASSFA job developer has been assigned specifically to the ETP program. Trainees may also use the WorkSource Center and Cerritos Job Placement Center to network, use computers with Internet access, use fax machines, copiers, phones, and get referrals to other community services. Special services for veterans and people with disabilities are available.

*Marketing and Employer Demand*

The Contractor's representative states that SASSFA has a twenty-seven year successful track record of providing professional recruitment, prescreening, assessment, and follow-up retention services to small, mid-size and large companies. In addition to its reputation for high performance in the business community, SASSFA has direct access to industry professionals and key executives through its membership in the Chambers of Commerce of the cities it serves, and through its association with the County of Los Angeles, the Employment Development Department, the Department of Public Social Service, and the Department of Vocational Rehabilitation. SASSFA also has an Employer Advisory Panel that assists in recommending and developing services to meet the needs of the community.

SASSFA currently has several jobs available in the machine trades directly from local area employers, and is working with the International Association of Machinists District Lodge 947 to identify additional positions. SASSFA hosts a Small Business Development Center representative two days a month doing outreach, workshops, and seminars for employers, which helps create job leads. In conjunction with this, Cerritos College maintains an employer database and receives weekly requests from manufacturers who are experiencing difficulties filling vacancies.

According to the Director of Economic Development at Cerritos College, given the need, manufacturing companies are in constant contact to recruit students. On average, Cerritos' students receive multiple offers and manufacturers often await future training classes in order to

NARRATIVE: (continued)

interview students. All Cerritos students that have been involved in the accelerated program such as the one proposed under ETP have been given job offers at the completion of training. To date, the College has placed over 32 students through this accelerated program.

*Curriculum Development*

SASSFA works closely with its educational partners (Cerritos College, Rio Hondo College, and Cal State Long Beach) to develop, customize, and monitor training curricula to meet employers' needs. For this proposal, Cerritos College has developed a curriculum based on ongoing partnerships with employers and feedback from manufacturing advisory groups.

Staff reviewed hundreds of job descriptions to create a curriculum that will benefit both employers and employees. The College has also taken into consideration the Training, Other Qualifications, and Advancement section of the U.S. Department of Labor Occupational Outlook for 2004-14 to ensure that they provide the most up-to-date skills.

Cerritos College staff designed the Manufacturing Skills curriculum to provide modern machine tool set up and operation techniques that will augment and update trainees' existing knowledge of conventional and automated process techniques. Course work will include complex geometric inspection techniques, advance lathe and mill setup, materials science, computer-aided process planning, numerical control programming, and CNC machining. VESL training will integrate English and vocational content so that workers with limited English-speaking ability can understand their jobs in an English-speaking environment, improve their communication skills, and work more efficiently and independently.

After trainees are placed, employers will be afforded the opportunity to provide written and verbal feedback on trainee skills and curriculum relevance.

*Welfare to Work Population*

The project spokesperson stated that during the last 20 years, SASSFA has been successful preparing welfare families for work. SASSFA has partnered with local school districts to provide vocational training and ESL to welfare parents for jobs in demand occupations. SASSFA has operated a Welfare-to-Work program for three years and has trained and placed over 300 parents in unsubsidized employment with an average 79% retention rate. SASSFA recently conducted a 3-year Mini-Career Center specifically designed to assist welfare parents; this was subsequently incorporated into the Adult and Dislocated programs.

The Contractor's representative states that for this program, SASSFA will recruit unemployed CalWORKS trainees with a background and prior experience in the machine trades. Cerritos College is prepared to work one-on-one with any trainees who require additional attention due to their length of time away from the labor market.

### SUBCONTRACTORS

Cerritos Community College in Norwalk, California will provide all training in connection with this proposal, as well as support services. By contractual arrangement between Cerritos and SASSFA, ETP funds will be used to pay for said services in the amount of approximately \$102,000.

### THIRD PARTY SERVICES:

N/A

SOUTHEAST AREA SOCIAL SERVICES FUNDING AUTHORITY

MENU CURRICULUM

Class Lab Hours

108 - 200

Trainees will receive any of the following:

MANUFACTURING SKILLS

- Complex geometric inspection techniques
- Advanced lathe and mill setup and operation
- Materials science
- Computer-aided process planning
- Numerical control programming for machine tools
- Develop CNC machine tool to make manufactured parts
- Develop, Input, and proof CNC programs

LITERACY SKILLS\*

Vocational English as a Second Language (VESL)

- English vocabulary for general manufacturing skills
- Addressing safety issues within a manufacturing setting
- Communication and teamwork skills
- Ask and answer questions about manufacturing

\*Total VESL training hours shall not exceed 45% of a trainee's job-specific training hours.

Comment: The parties agree that the training identified in this Curriculum may be revised from time-to-time during the term of this Agreement at the request of Contractor and with the prior written approval of ETP. (See also Section 12 in this Agreement.)

# M e m o r a n d u m

To: Panel Members

Date: January 26, 2007

From: Diana Torres, Manager

Analyst: C. Robinson

Subject: One-Step Agreement for AMN HEALTHCARE, INC.

## CONTRACTOR:

- Training Project Profile: Retraining: Companies W/Out-Of-State Competition
- Legislative Priorities: Moving To A High Performance Workplace
- Type of Industry: Services
- Repeat Contractor: No
- Contractor's Full-Time Employees
  - Worldwide: 1,700
  - In California: 588
- ETP Trainees Represented by Union: No
- Name and Local Number of Union Representing ETP Trainees: N/A

## CONTRACT:

- Program Costs: \$467,880
- Substantial Contribution: \$0
- Total ETP Funding: \$467,880
- Total In-kind Contribution: \$752,117
  - Trainee Wages Paid During Training: \$752,117
  - Other Contributions: \$0
- Reimbursement Method: Fixed-Fee
- County(ies) Served: San Diego

### INTRODUCTION:

Established in 1985, AMN Healthcare, Inc., (AMN) and its subsidiaries Worldview Healthcare, Inc. (Worldview), and AMN Staffing Services, Inc., are located in one facility in San Diego, California. AMN and its subsidiaries provide corporate support and placement services for physicians, nurses, and allied health professionals on temporary assignments at acute-care or other healthcare facilities located throughout the United States.

AMN meets out-of-state competition requirements under Title 22 California Code of Regulations, Section 4416(e)(i) as corporate headquarters for offices located both inside and outside of California. The AMN subsidiaries meet these requirements under Title 22 CCR, Section 4416(d)(3,4) for hospital account management and recruitment functions performed located both inside and outside of California.

AMN proposes to retrain 557 employees in the skills needed to move to a high performance workplace to meet its customer's demands for high quality products and service. Physicians, nurses, and allied health professionals placed on temporary assignments are not included in the proposed training plan. The ETP Agreement will be held by AMN in its own right and on behalf of its subsidiaries.

### MEETING ETP GOALS AND OBJECTIVES:

AMN proposes training that will further the following ETP goals and objectives:

- 1) Enhance the skills of its frontline workers to prepare them for employment in a high performance workplace.
- 2) Foster job retention in an industry that faces increasing competition from companies located out-of-state.

**TRAINING PLAN TABLE:**

Grp/Trainee Type	Types Of Training	No. Retain	No. Class/Lab Videocnf. Hrs.	No. CBT Hrs.	Cost Per Trainee	Hourly Wage After 90 Days
Job Number 1 Retrainee	Menu: Business Skills Computer Skills Continuous Improvement Management Skills	557	24 - 200	-0-	\$840	*\$12.89 - \$72.17
<u>Occupation</u>						
Directors Managers Information Technology Staff Finance Staff Administrative Staff Sales Staff Marketing Staff Payroll/Benefits Staff Customer Service Staff Quality Assurance Staff						
<u>Health Benefits Used To Meet ETP Minimum Wage:</u> *Health Benefits of at least \$1.72 per hour may be applied to the base wage in order to meet the ETP minimum hourly wage of \$12.89 for San Diego County.					<u>Turnover Rate</u> 28%	<u>% Of Mgrs &amp; Supervisors To Be Trained:</u> 16%
<u>Other Employee Benefits:</u> In addition to health, dental and vision, AMN and its subsidiaries offer paid sick leave, vacation, 401K, life insurance, long-term disability, and tuition reimbursement.						

### COMMENTS / ISSUES:

#### ➤ *Turnover Rate*

Title 22 CCR, Section 4417, Secure Job, provides that the Panel shall fund training for employment that is stable and that an employer's turnover rate shall not exceed 20 percent annually. The Panel may accept a higher turnover rate if the employer provides evidence that the proposed training will significantly decrease the turnover. Or, the Panel may impose a turnover penalty, whereby failure to stay under a particular turnover "hurdle rate" will result in a reduction of 25 percent of payment earned.

AMN requests a modified turnover "hurdle rate", from 20 percent to 25 percent. Its request is based on evidence that the proposed training will reduce its turnover in the final 12 months of the Agreement. This evidence is supported by efforts over the past three years to reduce turnover from 42 percent in 2003, to 28 percent in 2006, at AMN and its subsidiaries. These efforts include implementation of processes used internally to attract qualified and motivated employees such as improved interviewing/talent identification techniques, a longer new-hire orientation period, and expanded recruiting efforts.

AMN states that the proposed training plan will build upon these efforts and will support a reduction in turnover. ETP funded training will establish customer service standards, increase sales staff competency, and streamline processes using new system upgrades. AMN states that implementation of these changes should reduce turnover to 25 percent or less during the final 12 months of the Agreement.

#### ➤ *Frontline Workers*

Of the 557 retrainees, 469 (84 percent) meet the Panel definition of frontline workers under Title 22 CCR, Section 4400(ee). The remaining 88 retrainees are directors, managers or supervisors who constitute 16 percent of the total training population. There are no trainees who set company policy included in the proposed training plan.

#### ➤ *Production During Training*

AMN agrees that during ETP-funded training hours, trainees will not produce products or provide services which will ultimately be sold.

### RECOMMENDATION:

Staff recommends that the Panel Staff approve the Agreement based on the participating companies' stated need to expand training efforts across all departments to remain competitive, meet changing customer needs, and establish a high performance workplace with improved company operating procedures. Staff recommends a modified turnover "hurdle rate" of 25 percent for the reasons set forth above.

### NARRATIVE:

AMN delivers marketing, recruiting, placement, and support services to temporary healthcare professionals and hospital/healthcare facilities in addition to providing headquarters' support functions to its offices located throughout the United States.

Hospital/healthcare facilities utilize AMN's services to manage staffing shortages due to a variety of circumstances, such as the Family Medical Leave Act absences, new unit openings, seasonal patient census variations, and other short or long-term staffing needs. Ongoing changes in the healthcare industry, including advances in medicine/technology and new multi-state legislative dictates, also result in an increased demand for healthcare professionals. These healthcare professionals are needed to perform complex medical procedures, care for an increasing senior population, and to fill positions created as a result of new legislation mandating nurse-to-patient ratios.

Company representatives report that new strategies are needed for AMN to recruit qualified healthcare professionals and improve related services such as housing, travel, benefit, and payroll coordination, in temporary employment situations. The company must also strengthen its relationships with hospital/healthcare facilities to expand its network of customers through enhanced marketing, improved account management, and superior customer service skills.

### Business Skills

All employees that interface with customers, including administrative, sales, customer service, and payroll/benefits staff will receive Advanced Marketing, Advanced Customer Service, Advanced Sales, and Communication Skills training. These sessions will increase AMN's marketing efforts, help employees develop new recruitment strategies, and improve services to healthcare professionals and hospital/healthcare facilities. Financial Strategies, Payroll Department Best Practices, New Staffing Solutions and Advanced Accounts Receivable classes will be delivered to administrative and finance staff to enhance recruiting and internal work processes to move AMN toward becoming a high performance workplace. Business Skills training will help ensure that the companies' processes are completed efficiently; improvements are implemented in account management, and market AMN services effectively to potential customers.

### Computer Skills

All AMN employees included in the proposed training plan will receive Peoplesoft Course Updates, Advanced American Mobile Information Exchange (AMIE), and Advanced Gemini Computer Skills training. Cardiff Updates and Great Plains Updates training will be delivered to the finance and payroll/benefits staff. Advanced Housing Operations Management Exchange (HOME) software training will be delivered to those administrative staff responsible for temporary housing coordination. Propel Upgrade training will be delivered to sales staff who recruit and place healthcare professionals. Information Technology staff will receive training in On-Line Systems Updates to ensure that all of AMN's systems function correctly.

NARRATIVE: (continued)

All of the proposed Computer Skills courses will assist AMN to meet its goal of improved services to healthcare professionals and hospital/healthcare facilities. Training will allow AMN to implement processes and systems that enable the company to use the most current operational systems to keep track and manage its business successfully.

Continuous Improvement Skills

All of AMN's frontline staff will receive Leadership Skills training to assist them in work-related activities by taking the initiative and assuming responsibility for their own performance. All employees will also receive training in Quality Concepts training to assure that AMN's stringent standards and HCSS certification are maintained or exceeded. Teambuilding courses will also be delivered to all employees for them to better understand AMN's flow of service to aid in the company's move toward a high performance workplace. Train the Trainer classes for directors and managers will ensure that performance standards are met by enabling them to support training efforts in their particular department and better understand their role before, during and after classes are completed.

Management Skills (directors/managers only)

Management skills will be delivered to directors and managers to equip them with skills to move AMN toward becoming a high performance workplace. Advanced Leadership skills will introduce methods of effectively managing people, time, and resources. Directors and managers will be able to use four styles of management (directing, coaching, supporting, and delegating) to identify and tailor their style to different situations.

*Commitment to Training*

State law requires that ETP funds be used to supplement, rather than displace, funds available through existing programs conducted by employers and government-funded programs.

Although AMN does not have a formal training budget, the company expends approximately \$700,000 annually training for books and materials for new hire orientation, on-the-job training, basic sales courses, refresher courses or seminars, sexual harassment prevention, governmental mandatory, and other basic business skills. This training is conducted on an as needed basis and AMN will continue to deliver it at the company's expense.

AMN representatives state that the intended training has never been delivered in the past to the employees included in the proposed training plan and does not displace its current informally delivered training. ETP funding will allow the companies to provide advanced training in a formal training program. Without ETP funding, AMN does not have the necessary resources to deliver such comprehensive training to its employees in a relatively short timeframe. Upon completion of ETP funded training, the companies plan on continuing training in many of these areas at their own expense.

**SUBCONTRACTORS:**

Deloitte Tax LLP, Los Angeles, California – In an amount not to exceed 13% of payment earned.

**THIRD PARTY SERVICES:**

Deloitte Tax LLP assisted with the ETP Application and helped prepare the training plan on a time-and-materials basis with fees anticipated to be between \$50,000 and \$75,000. AMN understands that these fees are not to be paid utilizing ETP funds.









## AMN HEALTHCARE, INC

### Menu Curriculum









Hours Class Lab  
(24-200)

Trainees will receive any of the following:





#### BUSINESS SKILLS

-  Advanced Customer Service
-  Advanced Sales Skills
-  Communication Skills
-  Financial Strategies
-  Advanced Marketing Skills
-  Payroll Department Best Practices
-  New Staffing Solutions
-  Advanced Accounts Receivable



#### COMPUTER SKILLS

-  Advanced American Mobile Information Exchange (AMIE)
-  Cardiff Updates
-  Advanced Gemini
-  Great Plains Updates
-  Advanced Housing Operations Management Exchange (HOME)
-  On-Line Systems Updates
-  Peoplesoft Course Updates
-  Propel Updates

#### CONTINUOUS IMPROVEMENT

-  Leadership Skills (Frontline Workers)
-  Quality Concepts
-  Train the Trainer Skills
-  Teambuilding Skills

#### MANAGEMENT SKILLS (Managers/Supervisors)

-  Advanced Leadership Skills
-  Mentoring/Motivating Employees

<p><u>Comment:</u> The parties agree that the training identified in this Curriculum may be revised from time-to-time during the term of this Agreement at the request of Contractor and with the prior written approval of ETP. (See also Section 12 in this Agreement.)</p>
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# M e m o r a n d u m

To: Panel Members

Date: January 26, 2007

From: Diana Torres, Manager

Analyst: R. Negrete

Subject: One-Step Agreement for NATIONAL RV, INC.

## CONTRACTOR:

- Training Project Profile: Retraining: Companies W/Out-Of-State Competition
- Legislative Priorities: Stimulating Exports/Imports Moving To A High Performance Workplace, Promotion Of California's Manufacturing Workforce
- Type of Industry: Manufacturing
- Repeat Contractor: No
- Contractor's Full-Time Employees
  - Worldwide: 2,000
  - In California: 922
- ETP Trainees Represented by Union: No
- Name and Local Number of Union Representing ETP Trainees: N/A

## CONTRACT:

- Program Costs: \$749,412
- Substantial Contribution: \$0
- Total ETP Funding: \$749,412
- Total In-kind Contribution: \$752,000
  - Trainee Wages Paid During Training: \$716,000
  - Other Contributions: \$36,000
- Reimbursement Method: Fixed-Fee
- County(ies) Served: Riverside

## INTRODUCTION:

National RV, Inc. (NRV), a subsidiary of National RV Holdings, maintains its corporate headquarters and a manufacturing facility in Perris, California, with additional manufacturing facilities in Oregon and Florida. It has 2,000 worldwide employees, with 922 employees at its Perris facility, the site of the proposed training. NRV manufactures gas and diesel recreational vehicles and maintains service and parts centers in California and Florida.

The company satisfies the Panel's out-of-state competition requirements under Title 22 California Code of Regulations, Section 4416(i). It is a priority industry for the purposes of ETP funding, as it is a North American Industry Classification System (NAICS) manufacturer retraining current employees.

NRV representatives state that it needs to improve production processes to better meet its customer needs and to effectively compete in today's global economy. Therefore, it proposes to retrain 771 of its employees to implement Lean Manufacturing processes at their Perris manufacturing facility.

## MEETING ETP GOALS AND OBJECTIVES:

NRV proposes training that will further the following ETP goals and objectives:

- 1) Stimulate exports in industries threatened by out-of-state competition.
- 2) Adapt to a high performance workplace.
- 3) Promote the retention of the State's manufacturing workforce.

**TRAINING PLAN TABLE:**

Grp/Trainee Type	Types Of Training	No. to Retain	No. Class/Lab Hrs.	No. CBT Hrs.	Average Cost Per Trainee	Hourly Wage After 90 Days
Job Number 1 Retrainees (Priority Industry)	MENU:  Business Skills Computer Skills Continuous Improvement Management Skills Manufacturing Skills	771	24 - 140	-0-	\$972	*\$12.38 - \$68.86
Wages After 90-Day Retention						
<u>Occupation</u>  Production Workers Sales and Marketing Staff Customer Service Staff Accounting Staff Information Systems Staff Engineering Staff Supervisors, Leads, Foremen Managers						
<u>Health Benefits Used To Meet ETP Minimum Wage:</u>  Health benefits of at least \$3.13 per hour may be used for some of the Job 1 retrainees to meet the ETP minimum hourly wage of \$12.38 per hour in Riverside county.					<u>Turnover Rate</u>  18.7%	<u>% Of Mgrs &amp; Supervisors To Be Trained:</u>  6%
<u>Other Employee Benefits:</u> disability insurance, annual vacation, sick leave, holidays, other paid time off						

**COMMENTS / ISSUES:**

➤ *Frontline Workers*

Seven hundred and twenty-six trainees (94 percent) of the retrainees in this project meet the Panel definition of frontline workers in accordance with Title 22 CCR, Section 4400(ee). Forty-five (6 percent) are supervisors and managers.

COMMENTS/ISSUES: (continued)

➤ *Production During Training*

The Company agrees that during ETP-funded training hours, trainees will not produce products or provide services which will ultimately be sold.

RECOMMENDATION:

Staff recommends that the Panel approve this Agreement because it will enable NRV to implement Lean Manufacturing processes at its Perris manufacturing plant, and thereby to adapt to a high performance workplace that will result in the retention of manufacturing jobs in California.

NARRATIVE:

According to company representatives, NRV is under market pressure to produce recreational vehicles with new, enhanced, and innovative features for luxury motor home owners. The vehicles are increasingly complex with options including telescoping rooms, enhanced Global Positioning Systems (GPS) navigational systems, and increased fuel efficiency. In addition, company dealers do not want to carry large inventories, therefore are demanding recreational vehicles as customers order them, thus NRV must reduce their delivery schedules.

NRV management staff conducted an internal audit of manufacturing and management operations to identify areas for improvement. The results of the audit identified areas where improvement was needed: production cycles must be reduced using 5-S solutions; process controls must be implemented, cross-functional problem-solving teams are needed to improve production processes, a new materials resource control system must be fully implemented, and new product lines must be initiated.

NRV will implement Lean Manufacturing processes throughout the company that will create a company culture focused on quality products and excellent customer service. This initiative will enable NRV to adapt to a high performance workplace. Lean Manufacturing processes will require increased skill levels of all company employees. Adapting to a high performance workplace will enable the company to create a highly skilled and flexible workforce that can increase productivity, reduce delivery schedules, address customer quality demands, while reducing cycle times and waste.

Expected outcomes for ETP-funded training are improved productivity and quality through a company-wide implementation of lean manufacturing/continuous improvement processes. NRV employees at the lowest level of the organization will be able to make key decisions to improve production processes. Cross functional teams will be used for setting quality improvement goals that will result in more efficient and cost-effective production processes. ETP-funded training will also establish a foundation for career advancement for company employees.

NARRATIVE: (continued)

NRV management and consultant staff developed a 24 – 140 hour Menu Curriculum that includes business skills, computer skills, continuous improvement, management skills and manufacturing skills training for the proposed 771 retrainees.

Continuous Improvement including team building, team leadership skills and problem solving methodologies will promote team development and production process improvements. Kaizen and 5-S training will provide Lean Manufacturing techniques to improve product quality and production efficiencies. This training will enable management employees to transfer key decisions to the production staff that will shorten and improve the production process.

Business Skills will improve Communication skills currently lacking in production, management, and administrative staff. Customer Service training will assist Customer Service and Parts Representatives in solving customer problems with equipment and service issues. Project and Time Management training will enable administrative and management employees to accomplish more complex projects with a higher degree of effectiveness while meeting critical milestones.

Computer Skills including intermediate/advanced Windows XP applications and information technology systems training that will provide administration, production, and management employees the tools to achieve company productivity goals and to keep employees abreast with the latest developments in office automation technologies. AutoCAD 2007, Ansys, and AutoDesk training will enable engineering staff to design recreational vehicles that meet customer requests. Training in the company's Customer Management Software (Syteline) will allow frontline employees to input and access critical process flow information that affects the product's final delivery as well as reduce the repetitive input of data. Marketing staff will have increased abilities to produce brochures and sales materials. Accounting staff will have the ability to report trends or anomalies in the production process to management.

Management Skills training for managers, supervisors, foremen and leads will provide leadership and coaching and supervisory skills that, along with continuous improvement training, will enable these company employees to lead their subordinate employees effectively in a High performance workplace.

Manufacturing Skills training for frontline employees will support the transition to a high performance workplace by delegating on-the-spot troubleshooting solutions to team members, including enhanced methods of quality control, Kaizen events and 5-S techniques. New cross-functional skills for the operation of equipment and maintenance will avoid unnecessary "down time", while Blueprint Reading will reduce costs and cycle times.

NARRATIVE: (continued)

*Commitment to Training*

NRV has a goal of standardizing training for all its employees, and has made an on-going commitment to more structured training. Company funded training normally includes 16 - 24 hours a year in new employee orientation, safety, job-specific skills training, and basic computer training for administrative and support staff. Annual company expenditures for employee training total approximately \$122,000, conducted primarily through on-the-job training.

According to NRV representatives, the proposed training is new to the company, has not been provided in the past, and is directly related to the company's implementation of Lean Manufacturing processes. The Company requires ETP funding because it lacks sufficient resources necessary to reach their corporate goals in an increasingly competitive recreational vehicle industry.

At the completion of ETP funded training, NRV is committed to providing ongoing training in computer, business, and manufacturing skills that support the continuous improvement goals and training objectives outlined in this proposal.

SUBCONTRACTORS:

Horizon Training & Development (HT&D) of Fullerton, California, in an amount estimated at \$185,000 to provide a portion of Business Skills, Continuous Improvement, and Management Skills class/lab training.

HT&D, in an amount estimated at \$75,000 to provide the majority of project administration services. The administrative fee shall not exceed 13 percent of ETP payment earned.

THIRD PARTY SERVICES:

HT&D provided assistance in conducting the training needs assessment, the development of the training plan, curriculum, and other application requirements for a flat fee of \$3,000.

NATIONAL RV, INC.  
MENU CURRICULUM

Hours  
Class/Lab

24 – 140

Trainees will be provided any of the following:

A. BUSINESS SKILLS

Customer Service  
Communication Skills  
Conflict Management Skills  
Negotiation Skills  
Project Management  
Time Management

B. COMPUTER SKILLS

Adobe Illustrator  
Accounting Software (Bill of Materials, Geneva Accounting)  
Ansys (Finite Element Analysis)  
AutoCAD 2007  
Autodesk Inventor  
Microsoft Applications: Intermediate/Advanced:  
- Word, Excel, Access, PowerPoint, Project  
Structured Query Language (SQL)  
Visio  
Photoshop  
SyteLine/FS Plus (Customer Relations Management)

C. CONTINUOUS IMPROVEMENT

5S  
Problem Solving  
High Performance Work Teams  
Kaizen Principles and Implementation  
Leadership Skills (Team Member)

NATIONAL RV, INC.  
MENU CURRICULUM  
(continued)

D. MANAGEMENT SKILLS (Management Skills training shall only be provided to Managers, Supervisors, Foremen, and Leads)

Coaching  
Decision Making  
Leadership Skills  
Motivational Techniques  
Supervisory Skills

E. MANUFACTURING SKILLS

Blueprint Reading  
Equipment Operation  
Preventative Maintenance  
Quality Standards  
RV Manufacturing Skills  
Troubleshooting Equipment

Comment: The parties agree that the training identified in this Curriculum may be revised from time-to-time during the term of this Agreement at the request of the Contractor and with the prior written approval of ETP. (See also Section 12 in this Agreement.)

# M e m o r a n d u m

To: Panel Members Date: January 26, 2007

From: Diana Torres, Manager Analyst: C. Robinson

Subject: One-Step Agreement for PAN-PACIFIC PLUMBING CO., INC.

## CONTRACTOR:

- Training Project Profile: SET-Workers Earning At Least State Avg Hrly Wage Retraining: Companies W/Out-Of-State Competition
- Legislative Priorities: Moving To A High Performance Workplace  
Developed Jointly By Management And Workers
- Type of Industry: Construction
- Repeat Contractor: No
- Contractor's Full-Time Employees
  - Worldwide: 250
  - In California: 250
- ETP Trainees Represented by Union: Yes
- Name and Local Number of Union Representing ETP Trainees: United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada - Local 582

## CONTRACT:

- Program Costs: \$145,152
- Substantial Contribution: \$0
- Total ETP Funding: \$145,152
- Total In-kind Contribution: \$166,650
  - Trainee Wages Paid During Training: \$166,650
  - Other Contributions: \$0
- Reimbursement Method: Fixed-Fee
- County(ies) Served: Orange

### INTRODUCTION:

Founded in 1947, Pan-Pacific Plumbing Co., Inc. (Pan-Pacific) remains a family-owned plumbing contractor based in Irvine, California. Pan-Pacific specializes in new construction projects including hospitals, schools/universities, entertainment complexes, and other types of commercial industries.

Pan-Pacific's Orange County facility, the site of the proposed training, currently employs 250 fulltime workers. The proposed training plan includes 72 of which 36 are represented by the United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada - Local 582.

Pan-Pacific meets the Panel's out-of-state competition requirements because it offers services to customers located both inside and outside of California in accordance with Title 22 California Code of Regulations (CCR), Section 4416(d)(4).

The company also qualifies for funding under Title 22 CCR, Section 4409(a), Special Employment Training Project (SET) for frontline workers, as defined under Title 22 CCR, Section 4400(ee), who earn at least the state average hourly wage. These frontline workers include all journey-level plumbers in the occupations of superintendents, project managers, and journey level foremen. The two superintendents included in Job 2 perform frontline worker activities that include; interfacing directly with customers, determining that safety requirements are followed in the field, reviewing payroll records weekly for accuracy, scheduling project labor needs, and maintaining project efficiency.

### MEETING ETP GOALS AND OBJECTIVES:

Pan-Pacific proposes training that will further the following ETP goals and objectives:

- 1) Ensure that ETP funds are invested in projects that target high-wage jobs with above average salary increases and above average retention.
- 2) Enhance the skills of its frontline workers to prepare them for employment in a high performance workplace.
- 3) Fund training developed by management and workers in California.

**TRAINING PLAN TABLE:**

Grp/Trainee Type	Types Of Training	No. Retain	No. Class/Lab Videocnf. Hrs.	No. CBT Hrs.	Cost Per Trainee	Hourly Wage After 90 Days
Job Number 1 Retrainee	MENU: Business Skills Computer Skills	38	24 – 200	-0-	\$2,016	\$19.00 - \$120.00
Job Number 2 SET Retrainee	Continuous Improvement Skills Commercial Skills	34	24 - 200	-0-	\$2,016	\$31.00 - \$50.00
Wages After 90-Day Retention						
<u>Occupation</u>						
<u>Job 1 Retrainees</u>  Managers/Supervisors Estimators Detailers Administrative Staff						
<u>Job 2 SET Retrainees</u>  Superintendents Journey Level Foreman Project Managers						
* <u>Health Benefits Used To Meet ETP Minimum Wage:</u>  Job 1: Although the employer pays health benefits for employees, health benefits are not being used to meet the ETP minimum wage requirement for Orange County of \$13.51 per hour.  Job 2: Health benefits are covered through the Union and are not being used to meet the ETP minimum SET Frontline Worker wage requirement of \$22.51 per hour.					<u>Turnover Rate</u>  33%	<u>% Of Mgrs &amp; Supervisors To Be Trained:</u>  Job 1: 3% Job 2: N/A
<u>Other Employee Benefits:</u>  For Union represented employees, Pan-Pacific offers holiday wage stipend, overtime, and retirement in addition to other Union paid benefits. For non-represented employees, in addition to medical, dental, and vision Pan-Pacific offers paid vacation and 401K.						

## COMMENTS / ISSUES:

### ➤ *Union Support*

United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada - Local 582 represents 36 of the 72 employees included in the Training Plan and has submitted a letter of support for the proposed Agreement.

### ➤ *Turnover Rate*

Title 22, California Code of Regulations, Section 4417, Secure Job, provides that the Panel shall fund training for employment that is stable and that an employer's turnover rate shall not exceed 20 percent annually. The Panel may waive or modify this standard if industry data supports a higher turnover rate.

Pan-Pacific requests a waiver, given that its turnover rate of 33 percent for 2006 has not varied more than 2 percent for the past several years. Pan-Pacific contends that it experiences an average turnover consistent with industry standards for similar companies doing business in Southern California.

Company representatives recently contacted two major competitors located in Southern California that employ plumbers represented by the same Union. Both of these companies confirmed similar turnover rates for 2006 (33 to 35 percent) and indicated that past year's turnover rates were similar.

According to US Department of Labor information, turnover in the construction industry for calendar year 2005 and the first three quarters of 2006 was over 61 percent. This information reflects voluntary quits, seasonal employment, and layoffs exceeding 30 days. Although this information includes all related construction occupations such as plumbers, electricians, and carpenters, it confirms the Pan-Pacific's claim that annual turnover is high for occupations, including plumbers, in the construction industry. Since Pan-Pacific's work focuses only on major construction projects rather than the small plumbing repair business, this data, in addition to the previously stated information supports the company's request for the Panel's consideration of a waiver of ETP regulations governing turnover.

### ➤ *Frontline Workers*

Of the 60 retrainees in the Training Plan, 58 (97 percent) meet the Panel definition of frontline workers under Title 22 CCR, Section 4400(ee). The remaining two Job 1 retrainees are managers or supervisors who constitute 3 percent of the total training population. Company representatives confirm that only Pan-Pacific owners, who are not included in the proposed Training Plan set company policy. There are no managers/supervisors included in the Job 2 SET group.

COMMENTS / ISSUES: (continued)

➤ *Production During Training*

Pan-Pacific agrees that during ETP-funded training hours, trainees will not produce products or provide services which will ultimately be sold.

RECOMMENDATION:

Staff recommends that the Panel approve the Agreement based on Pan-Pacific's need to implement training efforts to remain competitive, increase business, and establish a high performance workplace with improved company operating procedures. Additionally, staff recommends that Panel approve Pan-Pacific's turnover rate of 33 percent for the reasons above.

NARRATIVE:

In 2006, Pan-Pacific established plans to become more competitive against other plumbing companies doing business in southern California. Some of these companies consistently underbid projects because they utilize cheaper, non-represented labor. Pan-Pacific's plans include earning more business opportunities through delivery of superior service, implementing streamlined internal processes, and the use of cutting edge products in construction projects.

In order to perform superior service, new CAD Mechanical Solids and Estimating Mechanical Solids software will be purchased at a cost of \$50,000. This software will expand Pan-Pacific's ability to estimate costs, design projects more efficiently, and make more professional presentations to prospective clients. Once the software is in operation, it will help employees complete a smooth transition from pre-bid to pre-construction. The company will purchase training from the software manufacturer on its use for an additional cost. Pan-Pacific's new internal processes include a Quality Assurance (QA) program that will be presented company-wide through formal training sessions in spring, 2007. Implementation of QA tools throughout the company will enable Pan-Pacific to provide its customers with customized plumbing services that will need less clean-up and/or repair work in the future. Additionally, the majority of company employees included in the proposed training plan came to headquarters as field plumbers with little project management history. As a result, employees need training on how to lead/work in a team environment, communicate more effectively, and manage multiple projects more efficiently.

Pan-Pacific reports that it will be the first company in California to use an innovative new flexible piping material called Pex in the spring of 2007. Pex, will allow plumbers to fix leaks by inserting it into existing piping structures resulting in less costly repair work for Pan-Pacific customers. Although the manufacturer of this product will provide training at no cost for a

NARRATIVE: (continued)

limited number of company employees, Pan-Pacific will use the trained employees to train the remaining workers how to use Pex in construction applications over several months. By training its employees in more efficient work processes and the use of new products, Pan-Pacific anticipates dramatic improvements in its ability to compete with lower cost construction bidders. The proposed training plan permits Pan-Pacific to more effectively compete with its competitors by building a reputation of superior service and quality performance. Therefore, the company is requesting the Employment Training Panel's assistance to train 72 employees in the following types of Class/lab training:

Business Skills

All retrainees included in the proposed training plan will attend Class/lab sessions in Communication, Advanced Customer Service, Leadership, and Conflict Resolution (non Union related activities) Skills. Upon completion of these courses, Pan-Pacific's employees will work toward increasing customer satisfaction through improved communication and ability to negotiate issues satisfactorily. Project managers and some administrative staff will receive training in Project Management to help them to manage all aspects of a job smoothly from start to finish. Business Skills training will increase Pan-Pacific's ability to compete more professionally, manage work processes efficiently, and reach its goal of becoming a high performance workplace.

Commercial Skills

Selected journey level foremen, who did not attend initial training provided at no cost by the manufacturer of Pex, will receive Class/lab training on its use in various plumbing applications. Upon completion of this training, they will then be able to provide guidance and oversee its use by field plumbers and others not included in the proposed training plan.

Computer Skills

Estimators, detailers, and some journey level foremen will receive Computer Skills software training in both CAD and Estimating Mechanical Solids. Detailers and foremen who design plumbing layouts for both large and smaller jobs need training in the newly purchased CAD Mechanical Solids software to become 3-D capable. Using 3-D to design a dimensional sample represents the latest trend in the construction industry and will allow Pan-Pacific to improve its ability to pitch design plans to potential customers. Training in Estimating Mechanical Solids software will enable estimators to more accurately compute anticipated construction costs leading to more competitive bids with fewer underestimates and cost overruns. Additionally, once estimators enter information into the estimating software, detailers can retrieve the information for use in their CAD designs thus streamlining the bidding process and reducing errors by eliminating duplicative work.

Continuous Improvement

All retrainees will participate in QA, Teamwork, and Problem Solving Skills training to foster development of high performance workplace. QA Skills will allow employees to participate in Pan-Pacific's new QA program designed to improve all of the company's construction processes from bidding to project close-out. Outstanding issues will be identified and addressed using

NARRATIVE: (continued)

newly developed forms and processes before they become a problem in the future. Teamwork and Problem Solving Skills will allow all retrainees included in the proposed training plan to make key decisions at all levels of the organization, acquire skills to influence team members, and encourage creative thinking for improved decisions/actions.

*Commitment to Training*

Although Pan-Pacific does not have a formal training budget, the company expended approximately \$10,000 in 2006 on government mandated training, new employee orientation, general safety training, human resource/finance department workshops, negotiation, and basic leadership classes. This training was conducted on an as needed basis and Pan-Pacific will continue to deliver it at the company's expense.

With the exception of leadership training, the proposed Curriculum topics have never been delivered in the past. The proposed Advanced Leadership Skills training builds upon classes conducted in 2006 that identified "Qualities of a Leader" and will focus more on the leadership skills needed when working with others in a high performance teamwork environment. ETP funding will allow the company to offer a formal training program for the first time and will not displace its current informally delivered training. Without ETP funding, the company does not have the necessary resources to deliver the proposed training to its employees. The company representative states that upon completion of ETP funded training, Pan-Pacific plans to continue training in many of these areas its own expense.

SUBCONTRACTORS:

To Be Determined

THIRD PARTY SERVICES:

N/A

PAN-PACIFIC PLUMBING CO., INC.

MENU CURRICULUM

Hours Class/Lab

24 - 200

Trainees will be provided any of the following:

COMPUTER SKILLS

- Estimating Mechanical Solids
- CAD Mechanical Solids

BUSINESS SKILLS

- Communication Skills
- Advanced Leadership Skills
- Project Management
- Conflict Resolution (non Union related)
- Advanced Customer Service

CONTINUOUS IMPROVEMENT

- Quality Assurance Skills
- Teamwork Skills
- Problem Solving

COMMERCIAL SKILLS

- Pex Piping Techniques

Comment: The parties agree that the training identified in this Curriculum may be revised from time-to-time during the term of this Agreement at the request of Contractor and with the prior written approval of ETP. (See also Section 12 in this Agreement.)



**Local 582** Santa Ana, California  
United Association of Journeymen and  
Apprentices of the Plumbing and Pipe  
Fitting Industry of the United States and Canada

Robert J. Lamb II  
*Business Manager,  
Financial Secretary, Treasurer*

Employment Training Panel  
1100 J Street, Fourth Floor  
Sacramento, CA 95814

December 1, 2006

Distinguished Panel Members:

I am writing to show support for the proposed ETP training project for my members working at Pan-Pacific Plumbing Co., Inc.

Our union supports all types of training and we are happy to see Pan-Pacific taking an active role in the training of our members.

According to the training plan put forth by Pan-Pacific they will be training Foremen and General Foremen, Superintendents and Site Superintendents.

Should you need any other information, please do not hesitate to call me at the number listed above.

Sincerely,

Robert J. Lamb II  
Business Manager / Fin. Sec, Treasurer  
U.A. Local 582  
office: (714) 775-5563

# M e m o r a n d u m

To: Panel Members Date: January 26, 2007

From: Diana Torres, Manager Analyst: J. Davey

Subject: One-Step Agreement for SAGE SOFTWARE, INC.

## CONTRACTOR:

- Training Project Profile: Retraining: Companies W/Out-Of-State Competition
- Legislative Priorities: Moving To A High Performance Workplace  
Promotion Of California's Manufacturing Workforce
- Type of Industry: Manufacturing Software Manufacturing
- Repeat Contractor: Yes
- Contractor's Full-Time Employees
  - Worldwide: 10,500
  - In California: 644
- ETP Trainees Represented by Union: No
- Name and Local Number of Union Representing ETP Trainees: N/A

## CONTRACT:

- Program Costs: \$299,520
- Substantial Contribution: \$0
- Total ETP Funding: \$299,520
- Total In-kind Contribution: \$392,883
  - Trainee Wages Paid During Training: \$392,883
  - Other Contributions:
- Reimbursement Method: Fixed-Fee
- County(ies) Served: Placer, Orange

### INTRODUCTION:

Founded in 1982 and owned by the Sage Group, plc, Sage Software, Inc. (Sage), produces accounting and enterprise software for small and mid-sized businesses. The Sage Group, plc is headquartered in Newcastle upon Tyne, United Kingdom and has facilities in Europe, Asia, and Australia. Headquartered in Irvine, Sage has facilities throughout the United States. Sage is eligible for ETP training under Title 22 California Code of Regulations, Section 4416(d)(1,2) as a company providing integrated software development, production, distribution, customer service and related internal services to its customers outside of California. This is the second project with ETP within the last five years.

### MEETING ETP GOALS AND OBJECTIVES:

Sage proposes training that will further the following ETP goals and objectives:

1. To foster job retention in the technology industry where Sage faces strong competition from companies outside of California.
2. To meet ETP's mandate to develop the skills of frontline workers.
3. To enhance the job skills of frontline workers in California to prepare them for working in a high performance workplace.

**TRAINING PLAN TABLE:**

Grp/Trainee Type	Types Of Training	No. Retain	No. Class/Lab Videocnf. Hrs.	No. CBT Hrs.	Cost Per Trainee	Hourly Wage After 90 Days
Job Number 1 /Retrainee	MENU: Business Skills Computer Skills Continuous Improvement Skills	320	24 – 100	8 – 16	\$936	\$13.51 – 62.00
Wages After 90-Day Retention						
<u>Occupation</u>						
Corporate Support Staff Customer Service Staff Finance/Accounting Staff Information Systems Staff Managers/Supervisors Marketing Staff Research & Development Staff Sales Staff						
<u>Health Benefits Used To Meet ETP Minimum Wage:</u> Although the company pays health benefits for its employees, the hourly contribution is not being used to meet ETP minimum wage requirements.					<u>Turnover Rate</u>  12.5%	<u>% Of Mgrs &amp; Supervisors To Be Trained:</u>  9%
<u>Other Employee Benefits:</u> In addition to Health Benefits, Sage offers stock plans, 401(k), Life/AD&D Insurance, sick leave, income protection plans, paid time off, adoption assistance, flexible work schedules, flexible spending college savings plans, sabbatical, vacation, a tuition reimbursement plan, and holidays.						

### COMMENTS / ISSUES:

#### ➤ *Frontline Workers*

Two hundred, ninety-one (291) participants (91 percent) in this project meet the Panel definition of frontline workers under Title 22 California Code of Regulations, Section 4400(ee). In addition, 29 managers and supervisors (nine percent) will also participate in training. Sage states that managers and supervisors need the skills described in this proposal to assist frontline workers in obtaining and implementing the new skills. In addition, Sage agrees that no executive staff who set company policies will be reimbursed for training.

#### ➤ *Production During Training*

The proposed Contractor agrees that during ETP-funded training hours, trainees will not produce products or provide services which will ultimately be sold.

### RECOMMENDATION:

Staff recommends that the Panel approve this proposal based on Sage's need to train its workers in business, computer, and continuous improvement skills to remain competitive in the software development industry. The skills requested in this proposal will allow the company to provide integrated services to its customers and improve product efficiency.

### NARRATIVE:

A company spokesperson reports that Sage's competitors include software giants such as Microsoft, Oracle, Intuit, and SAP. These competitors have greater economies of scale that allows them to compete more effectively in the software development marketplace. The company expects the competition in the software development industry to continue to intensify in the future, which will bring greater pressure on the company's ability to compete in the software development market. Sage believes that ongoing technological changes in both computer hardware and software will remain constant for the foreseeable future; therefore, the company must rely upon sales, marketing, new product implementation skills, and customer service to maintain and enhance its competitive market position.

In Sage's previous ETP Agreement, the company provided a range of 24 to 200 hours in Advanced Technology, Business Skills, Computer Skills, Continuous Improvement Skills, and Management Skills to 446 trainees in four California locations. The training was focused on providing a core set of quality improvement skills to its frontline workers and training in software development and network design for selected technical staff. While the training did accomplish many of the goals planned in that project, Sage found that the number of training hours was more ambitious than could be accomplished. The training described in this proposal will build on the skills in the previous project but will be focused more on delivering a consistent products and services and implementing a new Enterprise Resource Planning (ERP) system.

NARRATIVE: (continued)

In 2006, Sage continued its strategy of offering small and mid-sized businesses the broadest range of business management applications. As part of this strategy, Sage acquired new products and upgraded existing products for general business and the specialized industries. Recent product acquisitions include: Verus Financial Management, a merchant services software provider; "The Master Builder" product line from Intuit Inc., and "Contractor Anywhere", products that serve the construction industry among others. Additionally, Sage is delivering key new releases and upgrades in its mid-market business management products and services portfolio.

In addition, the current systems do not allow for Sage to cross-sell or present a consistent face to its customers. The company has product lines that compete with other existing products for the same clients independently of each other. This causes confusion on the part of the customer and missed opportunities for Sage.

To support the newly-acquired products and existing product upgrades, Sage is in the development and build stages of implementing its own new ERP system called Project Atlas. Project Atlas is a business process reengineering project, using the SAP software suite. This initiative is designed to achieve the Sage's strategic goal of "One Face to the Customer," improving the customer and partner experience. Project Atlas will simplify and unify Sage's internal processes, allowing the company to work smarter.

In order to manage the company's growth and maintain a competitive edge in the increasingly competitive software development industry, Sage is seeking funding from the ETP to provide the following supplemental skills to its 320 frontline workers:

Business Skills will provide frontline employees and managers/supervisors the skills in areas such as increasing customer retention through improved customer interactions, sales consulting/academy essentials, influencing without authority, Sage product and industry knowledge, and effective planning/implementation skills. These skills will allow Sage employees to implement the company's business strategies and effectively support the company as it continues to grow and compete in the increasingly competitive software development industry.

Computer Skills will provide frontline workforce and managers/supervisors skills in topics such as Project Atlas/SAP skills, Visual Basic/Visual Basic for Application, Webcasts, new/upgraded software products, and Microsoft Sequel (SQL). These skills and others will allow the workforce to properly utilize the new systems and products implemented at Sage.

Continuous Improvement Skills The company's frontline workforce and managers/supervisors will receive training in continuous improvement skills aimed at moving the company to a higher level of performance through conflict management, leadership/coaching/feedback skills, process reengineering, troubleshooting, quality improvement, and competitive analysis skills. These skills will enable the workforce to implement new working processes, improve leadership and teamwork capabilities, and increase product/process quality, thereby increasing the overall efficiency of Sage's workforce, while integrating new product lines and customers from acquired companies.

NARRATIVE: (continued)

*Commitment to Training*

A spokesperson for Sage Software states that ETP funding will not displace its own resources for training.

- Sage's annual budget for training for its California facilities varies from year to year. However, the company has invested over \$10 million in the ERP system, Project Atlas.
- The types of training provided to trainees include Microsoft Office, new-hire orientation, job-specific training, employment law, performance appraisals and documentation, and interviewing skills. In addition, elements of training provided in the previous ETP Agreement will be continued at its own expense.
- Sage expects the training requested in this proposal will also continue beyond the term of the Agreement and improve the company's competitiveness in a changing market.

SUBCONTRACTORS:

Yet to be determined.

THIRD PARTY SERVICES:

Training Funding Partners assisted with the development of the Application and other agreement requirements. The amount reimbursed for these services is a flat fee of \$25,000.

PRIOR PROJECTS:

The following are completed project statistics for ETP Agreements with this Contractor within the last five years:

PRIOR PROJECTS						
Agreement Number	Location (City)	Term	Contract Amount	Amount Earned	Planned In-kind Contribution	Reported In-kind Contribution
ET05-0166	Irvine	9/6/04 – 9/5/06	\$440,439	\$251,439	\$504,000	\$451,725

*Sage states that, although the first ETP project was not as successful as anticipated, the company did train a large number of trainees in skills that have positively benefited the company.*

SAGE SOFTWARE, INC.

MENU CURRICULUM

Class/Lab Hours      Trainees will receive any of the following:

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Job Number 1

24 – 100

**Business Skills**

- Increasing Customer Retention through improved Customer Interactions
- Sage Product Knowledge and Industry Skills
- Accounting Procedures (Year-End Processes)
- Sales Consulting/Academy Essentials
- Advanced Marketing Skills
- Next Generation Product Knowledge/Skills
- Presentation Skills
- Influencing without Authority
- Sage Application Product and Industry Skills
- Effective Planning/Implementation Skills
- Building Trust/Collaboration
- How to reach your intended audience through effective writing skills

**Computer Skills**

- Microsoft Project
- Webcasts
- Project Atlas/SAP Skills
- Visual Basic/Visual Basic for Application (VBA) Skills
- Hypertext Markup Language (HTML) Skills
- Framemaker (software)
- Questionmark (software)
- Captivate (software)
- Sound Forge (software)
- Microsoft Sequel (SQL)
- Statistical Package for Social Sciences (SPSS) for Windows
- Advanced Software Design and Architecture
- System Development Life Cycle (SDLC)
- New/Upgraded Software Products

**SAGE SOFTWARE, INC.**

**MENU CURRICULUM (continued)**

<b>Class/Lab Hours</b>	<b>Trainees will receive any of the following:</b>
<b>Job Number 1</b>	<b>Continuous Improvement Skills</b>
24 – 100	<ul style="list-style-type: none"><li>• Conflict Management</li><li>• Leadership/Coaching/Feedback Skills</li><li>• Competitive Analysis Skills</li><li>• Managing Business Shifts and Change</li><li>• Process Reengineering</li><li>• Leadership/Management Strategies</li><li>• Quality Improvement</li><li>• Troubleshooting</li></ul>

<b>CBT Hours</b>	<b>Trainees may receive any of the following:</b>
<b>Job Number 1</b>	<b>Business Skills</b>
8 – 16	<ul style="list-style-type: none"><li>• Increasing Customer Retention through improved Customer Interactions</li><li>• Sage Product Knowledge and Industry Skills</li><li>• Accounting Procedures (Year-End Processes)</li><li>• Sales Consulting/Academy Essentials</li><li>• Next Generation Product Knowledge/Skills</li><li>• Effective Planning/Implementation Skills</li></ul>
	<b>Computer Skills</b>
	<ul style="list-style-type: none"><li>• Microsoft Project</li><li>• Visual Basic/Visual Basic for Application (VBA) Skills</li><li>• Hypertext Markup Language (HTML) Skills</li><li>• New/Upgraded Software Products</li></ul>
	<b>Continuous Improvement Skills</b>
	<ul style="list-style-type: none"><li>• Conflict Management</li><li>• Managing Business Shifts and Change</li><li>• Process Reengineering</li><li>• Quality Improvement</li></ul>

**Comment:** The parties agree that the training identified in this Curriculum may be revised from time-to-time during the term of this Agreement at the request of Contractor and with the prior written approval of ETP. (See also Section 12 in this Agreement.)

# M e m o r a n d u m

To: Panel Members

Date: January 26, 2007

From: Diana Torres, Manager

Analyst: J. Davey

Subject: One-Step Agreement for THE RAYMOND GROUP

## CONTRACTOR:

- Training Project Profile: Retraining: Companies W/Out-Of-State Competition  
SET-Workers Earning At Least State Avg Hrly Wage
- Legislative Priorities: Moving To A High Performance Workplace
- Type of Industry: Construction
- Repeat Contractor: No
- Contractor's Full-Time Employees
  - Worldwide: 397
  - In California: 277
- ETP Trainees Represented by Union: Yes
- Name and Local Number of Union Representing ETP Trainees: 46 Northern California Counties Drywall/Lathing J.A.T.C & T.B.; Southern California Plastering Institute Apprenticeship Trust J.A.T.C. & Training Committee; Southwest Carpenters Training Fund

## CONTRACT:

- Program Costs: \$208,800
- Substantial Contribution: \$0
- Total ETP Funding: \$208,800
- Total In-kind Contribution: \$372,500
  - Trainee Wages Paid During Training: \$217,500
  - Other Contributions: \$155,000
- Reimbursement Method: Fixed-Fee
- County(ies) Served: Contra Costa, Orange, San Diego

### INTRODUCTION:

The Raymond Group is a drywall and lathe contractor whose products include panelized exterior skin systems, fireproofing, framing, sheathing, drywall and plaster for building exteriors and interior core areas. Headquartered in Orange, California, the company's construction services also include engineering design and project management. Raymond also has offices in Concord, San Diego, and Las Vegas, Nevada. Raymond's Orange office is eligible for ETP training under Title 22, California Code of Regulations (CCR), Section 4416(e) as the corporate headquarters that support the California and Nevada regional offices. The remaining California facilities are included under the SET Frontline Worker provisions of CCR, 4409(a) whose workers earn at least the state average hourly wage.

### MEETING ETP GOALS AND OBJECTIVES:

The Raymond Group proposes training that will further the following ETP goals and objectives:

1. To foster job retention in the construction industry.
2. To meet ETP's mandate to develop the skills of frontline workers.
3. To enhance the job skills of frontline workers in California to prepare them for working in a high performance workplace.

**TRAINING PLAN TABLE:**

Grp/Trainee Type	Types Of Training	No. Retain	No. Class/Lab Videocnf. Hrs.	No. CBT Hrs.	Cost Per Trainee	Hourly Wage After 90 Days
Job Number 1 Retrainee	MENU: Business Skills Management Skills Literacy Skills	30	24 – 100	0	\$1,440	\$20.19 - \$52.88
Job Number 2 SET Frontline	MENU: Business Skills Management Skills Literacy Skills	115	24 – 100	0	\$1,440	\$23.35 - \$36.61
<b>Wages After 90-Day Retention</b>						
<u>Occupation</u>  CAD Detailer (Job 1 – Retrainee) Foreman (Job 2 – SET Frontline Worker) Project Engineer (Job 1 – Retrainee) Project Manager (Job 1 – Retrainee)						
<u>Health Benefits Used To Meet ETP Minimum Wage:</u>  Although the company pays health benefits for its employees, the hourly contribution is not being used to meet ETP minimum wage requirements by county.					<u>Turnover Rate</u>  16.67%	<u>% Of Mgrs &amp; Supervisors To Be Trained:</u>  7%
<u>Other Employee Benefits:</u>  In addition to Health Benefits, The Raymond Group offers union pension plan, 401(k), union vacation plan, and bonuses based on project profitability.						

### COMMENTS / ISSUES:

#### ➤ *Frontline Workers*

One hundred, thirty-five participants (ninety-three percent) in this project meet the Panel definition of frontline workers under Title 22 California Code of Regulations, Section 4400(ee). In addition, ten managers (seven percent) will also participate in training. The Raymond Group states that managers and supervisors need the skills described in this proposal to assist frontline workers in obtaining and implementing the new skills. In addition, The Raymond Group agrees that no executive staff who set company policies will be reimbursed for training.

#### ➤ *Production During Training*

The proposed Contractor agrees that during ETP-funded training hours, trainees will not produce products or provide services which will ultimately be sold.

### RECOMMENDATION:

Staff recommends that the Panel approve this priority industry proposal due to The Raymond Group's need to retrain its workers in skills that will give them needed business and management skills to meet the growing threat from out-of-state competitors and establish a training culture that will help offset demographic succession changes.

### NARRATIVE:

A company spokesperson reports that The Raymond Group currently is facing a number of challenges that impact the way it competes in California construction industry. Large Canadian developers have entered the California marketplace and have outbid Raymond for California projects. Many of these Canadian contractors work with Canadian subcontractors rather than Californian subcontractors and they often use non-union labor. Furthermore, east Coast subcontractors also have taken a small share of the California construction market because of a downturn in building opportunities in the east and mid-west.

Complicating these competitive market conditions is a demographic and generational change in the company's workforce. Of The Raymond Group's current workforce, about fifteen percent are either eligible to retire or within five years of retirement. As they leave the workforce, the company will experience a considerable loss of knowledge and experience. The remaining workforce does not possess the necessary skills that can greatly increase the productivity and profitability of the company. The working culture is currently traditional and reactive, with training desperately needed to improve communication, conflict resolution, and leadership principles/skills.

NARRATIVE: (continued)

The Raymond Group recently conducted a needs assessment and the results were common across the board: Communications, Leadership, Conflict Resolution, Negotiating, Project Planning & Management, Technical Computer Skills, Basic Computer Skills, The Raymond Way – Processes & Procedures. Performance Reviews confirmed many of the skill gaps listed above.

As a result, The Raymond Group identified four “foundational benchmarks” to address the skills gaps that were revealed in the results of the needs assessment: (1) People Skills/Business Skills; (2) Leadership Skills; (3) Systems; (4) Technical –specific dept functions. The ETP training funds will help with the design and implementation of Foundational Benchmarks #1 (People/Business Skills) & #2 Leadership Skills. The primary goal is to bring all employees to a foundational level of understanding.

The Raymond Group has identified the following types of training to improve productivity in its workers and help the company to become more competitive:

Business Skills – Frontline Foremen, Project Engineers, Project Managers, and CAD Detailers will receive skills communication, feedback, coaching, conflict resolution, and processes and procedures. The Employee Survey showed that employees have difficulty in communicating effectively both internally and with customers. This has negative consequences in improving productivity in a tightly competitive market. Employees expressed a desire for more guidance and coaching versus the trial and error method. Coaching and feedback training will provide the necessary skills to equip frontline foremen to be more effective coaches.

Management Skills – Project Managers will receive training in time management, leadership, managing change, and coaching for improved performance to better manage time and performance. The company has begun the process of forming new teams; however, the knowledge of how to create cohesive and productive teams currently is learned by trial and error. The lack of coaching and leadership skills has led to unproductive conflict and inefficiency.

Literacy Skills – Selected foremen will be offered Vocational Workplace English as a Second Language (VESL) to improve their literacy skills in English. The courses in VESL will cover basic workplace terminology, English verbal and written communication, grammar, reading, writing, and language comprehension skills. It is expected that Literacy Skills will enhance the production workers understanding and enable them to accomplish their daily work duties. Raymond agrees that no more than forty-five percent of each trainee's total vocational training hours will be provided in Literacy Skills to those trainees who have been identified to receive this training. Furthermore, The Raymond Group will conduct a literacy assessment prior to the delivery of training to customize the training to the needs of each trainee. The assessment will be available for review by ETP staff during the term of the Agreement.

NARRATIVE: (continued)

*Commitment to Training*

A spokesperson for The Raymond Group states that ETP funding will not displace its own resources for training.

- The Raymond Group states that it has invested and budgeted over \$450,000 in the last two years for training and training related costs.
- The types of training provided to trainees include Microsoft Office, new-hire orientation, job-specific training, employment law, performance appraisals and documentation, and interviewing skills. Updated process and procedure manuals are being developed and implemented throughout the organization for every business function. Cross-functional teams have been developed to address the top issues impacting the company's competitiveness and productivity. Training facilities and equipment also have been designed and are in use.
- The Raymond Group expects the training requested in this proposal will also continue beyond the term of the Agreement and improve the company's competitiveness in a changing market.

SUBCONTRACTORS:

To be determined.

THIRD PARTY SERVICES:

The applicant states that consultant services have not and will not be used.

THE RAYMOND GROUP

CURRICULUM

Class/Lab Hours      Trainees will receive any of the following:

---

Job Number 1

24 – 100

Business Skills

- Conflict Resolution
- Coaching
- Delegating and Negotiating
- Feedback
- Communication
- Processes & Procedures

Management Skills

- Time Management
- Essentials of Leadership
- Motivating Workers
- Change Management
- Performance Improvement

Literacy Skills (not to exceed 45% of total vocational skills per trainee)

- English at Work

<p><u>Comment:</u> The parties agree that the training identified in this Curriculum may be revised from time-to-time during the term of this Agreement at the request of Contractor and with the prior written approval of ETP. (See also Section 12 in this Agreement.)</p>
---

# Southwest Carpenters Training Fund

533 SOUTH FREMONT AVENUE, SUITE 401

LOS ANGELES, CA 90071-1706

(213) 739-9336 FAX (213) 739-9383

[www.californiacarpenters.org](http://www.californiacarpenters.org)

**Director**  
Pat McGinn

December 8, 2006

Latonia Coleman, Training Manager  
The Raymond Group  
520 W Walnut Ave  
Orange, CA 92868

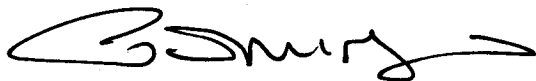
Dear Ms. Coleman:

I am pleased to have the opportunity to provide this letter of support on behalf of the Southern California Carpentry JATC in conjunction with your Employment Training Panel application.

It is my understanding that the funding you are applying for will provide business and management training for your second and third tiered managers and foreman. We realize the glaring shortage of capable supervision in the construction industry and applaud your efforts in this endeavor.

As you know, it is the mission of the Southern California Carpentry JATC to provide the highest quality training to those interested in a career in the various carpentry fields. We have an interest in seeing our members move up the career ladders available to them; therefore, we have no objection if union represented trainees participate in the training you are proposing.

Sincerely,



Pat McGinn  
Director



SOUTHERN CALIFORNIA  
PLASTERING INSTITUTE  
**Apprenticeship  
Trust**  
JOINT APPRENTICESHIP  
& TRAINING COMMITTEE

1610 W. HOLT AVENUE, SUITE B  
POMONA, CA 91768  
(909) 865-1773  
(909) 865-0873 FAX

December 21, 2006

**Latonia Coleman, Training Manager  
Raymond Interior Systems  
520 W. Walnut Avenue  
Orange, CA 92868**

Dear Latonia:

The Southern California Plastering Institute Joint Apprenticeship & Training Committee supports "Raymond's" efforts in your upgrading process of your employee's awareness in business and management training. This will truly benefit our industry as a whole.

We feel confident that our plasterers' training will not and should not stop once our members complete their four years of apprenticeship training here; and that Raymond and other plastering companies will continue their education with these supplemental classes.

We are in favor of this program.

If you have any questions, please feel free to contact this office.

**Rosie Borzilieri  
Apprenticeship Administrator**

**CC: BOARD OF TRUSTEES**



46 NORTHERN CALIFORNIA COUNTIES

DRYWALL / LATHING J.A.T.C. & T.B.

23217 Kidder Street  
Hayward, CA 94545-1632  
(510) 785-5885  
Fax: (510) 785-4434

December 20, 2006

ET07-0286

The Raymond Group  
Attn: Latonia Coleman  
520 West Walnut Avenue  
Orange, CA 92868

Dear Ms. Coleman:

Thank you for the opportunity to add the support of the Drywall/Lathing Apprenticeship to your application for Employment Training funds. We recognize the acute need for business and leadership training for foremen, superintendents, project managers, etc. in the construction industry and are very pleased that The Raymond Group is leading the way in offering quality training in this area. It is our hope that other contractors will see the long term benefits of providing this kind of training, follow suit, and persuade their employees to take advantage of all the training they can.

Our apprentices here in Northern California are encouraged to pursue the opportunities available to them through our program which provides them the chance to obtain a Certificate and/or an AA Degree at American River College in Sacramento. We endorse your efforts and would have no objection to our apprentices participating in the training you would provide.

Sincerely,

46 NORTHERN CALIFORNIA COUNTIES  
DRYWALL/LATHING J.A.T.C. & T.B.

Sharon Stevens  
Office Manager

2006-12-21 ltr The Raymond Group

# M e m o r a n d u m

To: Panel Members

Date: January 26, 2007

From: Diana Torres, Manager

Analyst: R. Negrete

Subject: One-Step Agreement for VENTURA FOODS, LLC

## CONTRACTOR:

- Training Project Profile: Retraining: Companies W/Out-Of-State Competition
- Legislative Priorities: Stimulating Exports/Imports  
Moving To A High Performance Workplace  
Promotion Of California's Manufacturing Workforce
- Type of Industry: Manufacturing
- Repeat Contractor: No
- Contractor's Full-Time Employees
  - Worldwide: 2,500
  - In California: 600
- ETP Trainees Represented by Union: Yes
- Name and Local Number of Union Representing ETP Trainees: International Brotherhood of Teamsters, Teamsters  
Local Union No. 630

## CONTRACT:

- Program Costs: \$695,232
- Substantial Contribution: \$0
- Total ETP Funding: \$695,232
- Total In-kind Contribution: \$759,500
  - Trainee Wages Paid During Training: \$759,500
  - Other Contributions: \$0
- Reimbursement Method: Fixed-Fee
- County(ies) Served: Los Angeles, Orange, San Bernardino

## INTRODUCTION:

Ventura Foods, LLC (Ventura Foods), is a Delaware Limited Liability Company owned by CHS, Inc. and Wilsey Foods, Inc. It employs 2,500 employees worldwide, with 600 California employees in two manufacturing/distribution facilities in Los Angeles and the City of Industry, and a corporate headquarters in Brea, California. It will open a new manufacturing/distribution facility in August, 2007 in Ontario, California. The four facilities will be the training sites of the proposed training. The company is eligible for ETP funding as a North American Industry Classification System (NAICS) manufacturer retraining current employees.

Ventura Foods proposes to retrain 544 of its employees to implement lean manufacturing processes that will enable the company to adapt to a high performance workplace and continue to be a viable in the California economy.

## MEETING ETP GOALS AND OBJECTIVES:

Ventura Foods proposes training that will further the following ETP goals and objectives:

- 1) Stimulate exports in industries threatened by out-of-state competition.
- 2) Adapting to a high performance workplace.
- 3) Promote the retention of the state's manufacturing workforce.

**TRAINING PLAN TABLE:**

Grp/Trainee Type	Types Of Training	No. to Retain	No. Class/Lab Hrs.	No. CBT Hrs.	Average Cost Per Trainee	Hourly Wage After 90 Days
Job Number 1  Retrainees (Priority Industry)	MENU:  Business Skills Computer Skills Continuous Improvement Management Skills Manufacturing Skills	544	24 - 160	-0-	\$1,278	*\$12.38 - \$64.90
Wages After 90-Day Retention						
<u>Occupation</u>						
Production Workers Distribution Staff Administrative Staff Supervisors/Managers						
<u>Health Benefits Used To Meet ETP Minimum Wage:</u>  * Health benefits ranging from \$1.22 - \$2.35 per hour may be added to some of the Job Number 1 trainees to meet the ETP minimum hourly wage of \$12.38 per hour in San Bernardino County and \$13.51 per hour in Los Angeles and Orange counties.					<u>Turnover Rate</u>  17%	<u>% Of Mgrs &amp; Supervisors To Be Trained:</u>  18%
<u>Other Employee Benefits:</u> 401(k) plan, pension plan, life insurance, long term disability insurance, flex spending, Employee Assistance Program.						

**COMMENTS / ISSUES:**

➤ Business Relocation

The Employment Training Panel Policy, Business Relocation, states that:

The Panel shall encourage economic development when it adds jobs or preserves existing jobs in California. The Panel shall not use its funds to encourage business relocations from one California location to another.

In October, 2005, Ventura Foods announced plans to relocate the existing manufacturing plants and warehouses in Los Angeles (approximately 100 employees) and the City of Industry (approximately 300 employees) to a new single site manufacturing/distribution facility in Ontario. The new facility will become operational on August 1, 2007 and will optimize efficiencies and reduce expenses. From August 2007 to November 2007, existing production processes and packaging lines from Los Angeles and the City of Industry will be moved to Ontario.

COMMENTS/ISSUES: (continued)

Part of the City of Industry facility will remain in operation as a Research and Development Center with 14 employees. Severance packages will be offered to affected employees who do not transfer to the new facility in Ontario. The package will include a severance payment and assistance with job placement through local job training agencies. Approximately 375 jobs will be transferred to Ontario comprising the majority of trainees in this proposal. Some of the trainees are at the corporate headquarters in Brea.

Ventura Foods will commence training at the Los Angeles and City of Industry facilities and continue through its transition to the new Ontario facility. Ventura Foods understands that it will only be reimbursed for trainees who continue to be covered by the same collective bargaining agreement.

➤ *Frontline Workers*

Four hundred and forty-seven (82 percent) of the trainees meet the Panel definition of frontline workers in accordance with Title 22 California Code of Regulations, Section 4400(ee). Ninety-seven (18 percent) of the proposed trainees are supervisors and managers.

➤ *Union Support*

The International Brotherhood of Teamsters, Teamsters Local Union No. 630 has submitted a letter of support for the proposed training.

➤ *Production During Training*

Ventura Foods agrees that during ETP-funded training hours, trainees will not produce products or provide services which will ultimately be sold.

RECOMMENDATION:

Staff recommends that the Panel approve this Agreement because it will enable Ventura Foods to implement lean manufacturing processes at its four facilities to adapt to a high performance workplace that will result in the retention of manufacturing jobs in California.

NARRATIVE:

Ventura Foods, makes shortenings, margarine, mayonnaise, salad dressings, sauces, and retail oils. The company also makes soup and flavor bases and concession items such as popcorn and popping oil. Ventura Foods sells to food service, retail, private-label and industrial clients, and the California plants ship 20 percent of the company's sales.

Ventura Foods will invest \$15 million dollars in new equipment to automate processes, packaging, and material handling at the Ontario facility. This includes new technology from Germany for processing mayonnaise; new automated processing decks for margarines and shortening, and new computerized recipe systems for dressings. Ventura Foods will train the workforce on the new processes and packing lines, the use lean manufacturing principles, and the new Enterprise Resource Planning system.

NARRATIVE: (continued)

The company's training goals are to: develop frontline workers job skills that will improve productivity at the new Ontario facility; develop frontline workers skills that prepare them for a high performance workplace; stimulate sales by keeping costs down from increased productivity from well trained employees; and develop skilled maintenance people in-house to work on computerized and automated production equipment at the new facility.

Company management staff developed a 24 - 160 hour Menu Curriculum and includes the following training courses:

Business Skills will be provided to all employees to enhance their product knowledge and communication skills. Distribution and production employees will be provided inventory control, effective communications, and interpersonal skills.

Continuous Improvement training will be provided to all employees. Trainees will learn to work in cohesive, high performing teams to solve problems and implement process improvements. This training will increase productivity in the new plant in Ontario by allowing employees to work together and problem solve issues. This training will enable Ventura Foods to adapt a high performance workplace and increase its productivity.

Computer Skills training will be provided to all employees allowing them to function efficiently in a computerized environment. Trainees will become proficient in using the various software packages to achieve company productivity goals.

Management Skills training will assist managers and frontline supervisors to improve their leadership skills by learning delegation, coaching, time management, process mapping techniques and teamwork skills making them more effective in working with frontline workers or plant staff personnel. This training will prepare management and supervisory staff to lead subordinate employees.

Manufacturing Skills will be provided to production employees and to a lesser extent to managers, administrative, and distribution employees. This training will provide detailed standard operating procedures to line personnel. They will learn how they can improve overall plant operations to minimize utilities costs and improve sanitation efforts to ensure maximum plant efficiencies.

*Commitment to Training*

According to company representative, Ventura Foods does not currently have a formalized training program, but does provide new hire orientation, safety training, Microsoft products training, mandated training, new tax and accounting rules, network training for Information Technology staff. In addition it operates Ventura Tech, operated by the Marketing Department to train new sales and marketing people. Typically company-funded training is conducted as on-the-job training, or job specific training on an as-needed basis.

NARRATIVE: (continued)

According to company representatives, ETP-funded training will enable Ventura Foods to provide a structured company-wide training program. At the completion of the ETP-funded training, the company is committed to ongoing training for its employees. Ventura Foods will evaluate training outcomes to determine the effect on trainee development, plant productivity and future training needs. Trainers will be industry technical experts and senior personnel of Ventura Foods based in California.

SUBCONTRACTORS:

Chaffey College, of Rancho Cucamonga, California, in an amount to be determined to provide a portion of Manufacturing Skills class/lab training.

THIRD PARTY SERVICES:

Applicant representatives state that no consultant services were used in the development of the Application.

VENTURA FOODS, LLC

MENU CURRICULUM

Hours  
Class/Lab

24 - 160

Trainees will be provided any of the following:

BUSINESS SKILLS

Inventory Control  
Product Knowledge  
Customer Service  
Telephone Skills  
Interpersonal Skills  
Effective Communication and Negotiations  
Resolving Customer Complaints  
Time Management

CONTINUOUS IMPROVEMENT

Lean Enterprise/Manufacturing Training  
Six Sigma  
5S  
Leadership Skills for Frontline Workers  
Problem Solving and Decision Making  
Teamwork/Teambuilding Skills  
Total Quality Management

COMPUTER SKILLS

International Business Machine Model AS 400 Based Software  
JD Edward One World Enterprise Resource Planning Software  
Data Tracker (Data Warehouse)  
Kronos/ADP Payroll System  
Equipment Automation and Control Software  
Wonderware Industrial Automation Software  
Networks/LAN/WAN Skills  
Qlik View Business Intelligence Tool

VENTURA FOODS, LLC

MENU CURRICULUM (continued)

MANAGEMENT SKILLS (Supervisors and Managers only)

- Leadership Skills
- Delegation Techniques
- Managing in a High Performance Workplace
- Motivating and Coaching Employees
- Project Management
- Conflict Management
- Process Mapping

MANUFACTURING SKILLS

- Tank Farm Operations and Procedures
- Mayonnaise/Dressing Operations and Procedures
- Margarine/Shortening/Oil Operations and Procedures
- Sanitation Best Practices
- Equipment Maintenance
- Facilities Maintenance
- Laboratory Testing Operations
- Trouble Shooting Equipment and Processes
- Programmable Logic Controllers

<p><u>Comment:</u> The parties agree that the training identified in this Curriculum may be revised from time-to-time during the term of this Agreement at the request of Contractor and with the prior written approval of ETP. (See also Section 12 in this Agreement.)</p>
---

Food, Industrial and Beverage Warehouse, Drivers  
and Clerical Employees Union

(213) 627-2178  
Fax (213) 627-0846

## Teamsters Local Union No. 630

750 So. Stanford Avenue / Los Angeles, California 90021-1468

**PAUL A. KENNY**  
Secretary-Treasurer

**SYLVIA GARZA**  
President

December 21, 2006

### Employment Training Panel

1100 J Street, 4<sup>th</sup> Floor  
Sacramento, CA 95814

Dear Panel Members,

Teamsters Local Union No. 630, affiliated with the International Brotherhood of Teamsters, fully supports Ventura Foods, LLC's proactive approach in pursuing ETP-Funding for training purposes. We support the training proposal being submitted to the Employment Training Panel by Ventura Foods, LLC.

Today's competitive and demanding markets for Ventura Foods, LLC products require modern technology, well trained employees, and thoughtful leadership. Ventura Foods, LLC's request for these training funds support these important needs for all of us to be successful.

Please feel free to contact me regarding the above letter of support at (213) 627-2178 Ext. 28.

Sincerely,



Robert M. Rios  
Divisional Representative

CC: Rosie Padilla, Ventura Foods, LLC Human Resources Manager

# M e m o r a n d u m

To: Panel Members

Date: January 26, 2007

From: Diana Torres, Manager

Analyst: K. Campion

Subject: One-Step Agreement for WILLIAMS FURNACE COMPANY

## CONTRACTOR:

- Training Project Profile: Retraining: Companies W/Out-Of-State Competition
- Legislative Priorities: Promotion of California's Manufacturing Workforce Developed Jointly By Management And Workers Moving To A High Performance Workplace
- Type of Industry: Manufacturing
- Repeat Contractor: No
- Contractor's Full-Time Employees
  - *Worldwide:* 2,500
  - *In California:* 247
- ETP Trainees Represented by Union: Yes
- Name and Local Number of Union Representing ETP Trainees: Cabinet Makers, Millmen and Industrial Carpenters, Local 721

## CONTRACT:

- Program Costs: \$411,516
- Substantial Contribution: \$0
- Total ETP Funding: \$411,516
- Total In-kind Contribution: \$433,978
  - *Trainee Wages Paid During Training:* \$389,878
  - *Other Contributions:* \$44,100
- Reimbursement Method: Fixed-Fee
- County(ies) Served: San Bernardino

### INTRODUCTION:

Williams Furnace Company (Williams Furnace), located in Colton, California, manufactures gas-fired wall furnaces and custom fan coil systems that use hydronics (the use of hot and cold water to heat or cool). The company's products are used in residential, retail and commercial buildings, and are custom manufactured to meet customer specifications.

Williams Furnace is eligible for funding under the out-of-state competition provisions provided in Title 22 California Code of Regulations, Section 4416(i) for companies classified as manufacturers under the North American Industrial Classification System (NAICS). The company proposes to retrain 322 full-time workers in the skills necessary to become a high performance workplace.

### MEETING ETP GOALS AND OBJECTIVES:

Williams Furnace proposes training that will further the following ETP goals and objectives:

- 1) Promote California's manufacturing workforce.
- 2) Foster job retention in industries threatened by out-of-state competition.
- 3) Support companies moving to a high performance workplace environment.
- 4) Fund training developed jointly by labor and management representatives.

**TRAINING PLAN TABLE:**

Grp/Trainee Type	Types Of Training	No. Retain	No. Class/Lab Videocnf. Hrs.	No. CBT Hrs.	Cost Per Trainee	Hourly Wage After 90 Days
Job Number 1 - Retrainees	MENU: Business Skills, Computer Skills, Continuous Improvement, Manufacturing Skills, Management Skills, Literacy Skills	322	24 – 160	0	\$1,278	\$12.38 – \$36.50
Wages After 90-Day Retention						
<u>Occupation</u>  Administrative Support Staff Assembler/Fabricator/Welder Operations Support Staff Materials Staff Engineer Technician Supervisor Manager						
<u>Health Benefits Used To Meet ETP Minimum Wage:</u>  *Health benefits of at least \$3.38 per hour may be added to the trainee's wages to meet the ETP minimum hourly rate for San Bernardino County.					<u>Turnover Rate</u>  16%	<u>% Of Mgrs &amp; Supervisors To Be Trained:</u>  5%
<u>Other Employee Benefits:</u>  In addition to medical insurance, Williams Furnace offers a 401K retirement plan and a tuition reimbursement program.						

### COMMENTS / ISSUES:

#### ➤ *Frontline Workers*

All participants in this project meet the Panel definition of frontline workers under Title 22 California Code of Regulations, Section 4400(ee), except for 17 supervisors and managers, or five percent of the trainee population.

#### ➤ *Production During Training*

Williams Furnace agrees that during ETP-funded training hours, trainees will not produce products or provide services which will ultimately be sold.

### RECOMMENDATION:

Staff recommends that the Panel approve this proposal because it will assist this company's move to a high performance workplace by improving its operational efficiencies. Williams Furnace has been experiencing rapid growth, and will continue to expand its workforce, in the near future, necessitating the specialized training of this proposal.

### NARRATIVE:

Due to the explosion of customer orders in the fan coil market, Williams Furnace has doubled the number of employees in the last year; from 182 employees in 2005 to 255 employees in 2006. Company representatives report that they are also preparing to hire an additional 75 to 100 employees by June 2007. They also report that the company has had a difficult time finding skilled and experienced workers in a labor market with 4.5 percent unemployment rate.

These challenges have propelled the company to develop a detailed, retraining initiative to enhance the competencies of its frontline staff in high performance workplace skills. Additionally, to better manage the company's rapid increase in business, Williams Furnace has recently purchased a new Enterprise Resource Planning (ERP) software system. The company projects that the new ERP system will help manage its current and future business growth, and provide trainees with the tools to interact more effectively with its customers.

Williams Furnace requests ETP funds to retrain its frontline staff in business skills, computer skills, continuous improvement, literacy skills, manufacturing skills, and management skills. Retraitees will receive formal, class/lab training based on their job functions.

#### Business Skills

Given the rapid growth in its fan coil business, Williams Furnace plans to become more proactive with its customers. Administrative support staff, engineers, technicians, and managers need to learn project management skills, communication skills and client servicing skills in order to understand the level of service, product quality and delivery that new clients expect. The company intends that, with these new skills, its employees will be able to present a unified, efficient and customer-focused face to current and future clients.

NARRATIVE: (continued)

Computer Skills

All occupations in the training plan will receive one or more modules of ERP software systems training. The new ERP system training will focus on the conversion of current business procedures and will affect operational planning, how customer's orders are entered and controlled, material purchasing and manufacturing planning, inventory planning and control, resource planning and reporting, product costing, operation reporting, and accounting. CAD training will be provided to engineers and technicians.

Continuous Improvement

The company's goal of becoming a high performance workplace is based on the implementation of a Lean Manufacturing environment critical to reducing waste and streamlining processes. All occupations in the training plan are projected to receive one or more topics that include Lean Enterprises, team building, problem analysis, process improvement, and SPC.

Manufacturing Skills

Manufacturing skills training is proposed for production workers, assemblers, fabricators and welders, to improve the efficiency of production lines. The production employees will take on more responsibility to implement new methods and procedures as Lean Enterprises becomes the driving focus of the operation.

Literacy Skills

To effectively participate in improvement teams, and understand the concepts of lean manufacturing and SPC, some production workers, assemblers, fabricators, and welders will receive training in Vocational English as a Second Language (VESL). Topics include verbal skills in workplace terminology and writing skills for data collection.

Management Skills

Supervisors and managers will receive training designed to lead the company through change. Williams Furnace proposes to train these employees in Business Operations and Procedures, Change Management, Team Leadership and Goal Setting. The goal of this training is to enable supervisors and managers to appropriately effectively implement the new systems and procedures, reduce costs, and motivate and support staff.

*Commitment to Training*

Williams Furnace representatives state that the ETP funding under this proposal will not displace any of its resources for training. They report that the company's training budget for 2006 was approximately \$75,000 for new hire orientation, safety, sexual harassment prevention, GED, advanced software skills and on-the-job training.

NARRATIVE: (continued)

Williams Furnace representatives report that the ETP funds are projected for a company-wide, structured training effort, not previously provided. ETP training will be formalized and closely scrutinized towards achieving objectives. Williams Furnace representatives project that the proposed training will ultimately create a more efficient and effective workplace and without ETP funding, the company would not be able to afford the comprehensive training necessary to sustain its projected growth.

SUBCONTRACTORS:

International Optimum Solutions, LLC, in Valencia California – 10 percent of payment earned for Project Administration.

THIRD PARTY SERVICES:

International Optimum Solutions, LLC assisted with the design of the training plan and completion of application documents at no charge.

Williams Furnace Company

MENU CURRICULUM

HOURS  
CLASS/LAB

24 – 160

*Trainees will receive any of the following:*

Business Skills

- Project Management Planning and Control Skills
- Communication Skills and Client Servicing Skills
- Advanced Customer Relationship Skills

Computer Skills

- Enterprise Resource Planning (ERP) System Procedures
- Material and Inventory Planning and Control Procedures
- CAD (Computer Aided Design) Skills

Continuous Improvement

- Lean Manufacturing
- Team Building
- Root Cause Analysis & Problem Solving
- Process Improvement Skills
- SPC – Statistical Process Control
- Leadership Skills for frontline workers

Literacy Skills (capped at a maximum of 45% of each retrainee's total job skills training)

VESL (Vocational English as a Second Language)

- Verbal skills - workplace terminology
- Writing skills – data collection and reporting

Management Skills (For Supervisors and Managers only)

- Change Management
- Business Operations and Procedures
- Team Leadership & Goal Setting Skills

*Williams Furnace Company*

MENU CURRICULUM (continued)

Manufacturing Skills

- Blueprints and Wiring Diagrams Reading skills
- Shop Math Skills
- Operations Support Materials Skills and Procedures
- Welding Methods and Procedures
- Fabrication Methods and Procedures
- Assembly Methods and Procedures
- CNC (Computer Numeric Control) Machining and Programming Skills

Comment: The parties agree that the training identified in this Curriculum may be revised from time-to-time during the term of this Agreement at the request of Contractor and with the prior written approval of ETP. (See also Section 12 in this Agreement.)



## **CABINET MAKERS, MILLMEN AND INDUSTRIAL CARPENTERS LOCAL 721**

November 6, 2006

Employment Training Panel  
Application Review Unit  
1100 J St. 4th Floor  
Sacramento, CA 95814

To Whom it May Concern:

Cabinet Makers, Millmen and Industrial Carpenters Local 721 and Williams Furnace enjoy a unique relationship of mutual trust and respect. Since the replacement of the previous President/CEO in June 2005, our members have seen a dramatic and extremely positive turnaround, and the implementation of training programs this year has been an integral part of that change.

It is our understanding that Williams is moving towards direct relationship with the Employment Training Panel in order to increase and improve training for current employees and future new hires. We have watched the number of employees at Williams double since June 2005 and are aware that they expect to further increase their number significantly within the next 6-8 months.

We are unabashedly supportive of the Williams Furnace training programs and welcome any assistance the ETP may be able to offer.

Cordially,

Fernando Rojas  
Business Manager/Financial Secretary  
Local Union 721

FR/sh  
opeiu #537  
afl-cio

10015 ROSE HILLS ROAD, WHITTIER, CA 90601 • (562) 695-0571 • (800) 423-1612 • FAX (562) 695-1159

# M e m o r a n d u m

To: Panel Members Date: January 26, 2007

From: Dolores Kendrick, Manager Analyst: M. Paccarelli

Subject: One-Step Agreement for THE BOEING COMPANY

## CONTRACTOR:

- Training Project Profile: Retraining: Companies W/Out-Of-State Competition
- Legislative Priorities: Promotion of California's Manufacturing Workforce  
Potentially Displaced Workers  
Developed Jointly By Management And Workers  
Moving to a High Performance Workplace
- Type of Industry: Manufacturing - Aerospace
- Repeat Contractor: Yes
- Contractor's Full-Time Employees
  - Worldwide: 140,000
  - In California: 30,275
- ETP Trainees Represented by Union: No
- Name and Local Number of Union Representing ETP Trainees: International Union, United Automobile and Aerospace, Agricultural Implement Workers of America (UAW) Local 148

## CONTRACT:

- Program Costs: \$756,000
- Substantial Contribution: \$0
- Total ETP Funding: \$756,000
- Total In-kind Contribution: \$1,000,000
  - Trainee Wages Paid During Training: \$1,000,000
  - Other Contributions: \$0
- Reimbursement Method: Fixed-Fee
- County(ies) Served: Los Angeles and Orange

### INTRODUCTION:

This will be the seventh project between The Boeing Company (Boeing) and the Employment Training Panel (ETP).

Boeing, an aerospace company, is eligible to provide ETP training under Title 22, California Code of Regulations, Section 4416(i)(1) as a company meeting the out-of-state competition requirement based on industry classifications. The company proposes to train 1,000 employees in continuous improvement skills necessary to implement Boeing's new initiative, "Build and Design Anywhere", which was implemented in 2004 in order to transition the company to a high performance workplace.

### MEETING ETP GOALS AND OBJECTIVES:

Boeing proposes training that will further the following ETP goals and objectives:

- 1) To support joint labor union and employer training ventures.
- 2) To promote California's manufacturing workforce.
- 3) To foster job retention in industries threatened by out-of-state competition.

**TRAINING PLAN TABLE:**

Grp/Trainee Type	Types Of Training	No. Retain	No. Class/Lab Videocnf. Hrs.	No. CBT Hrs.	Cost Per Trainee	Hourly Wage After 90 Days
Job Number 1 Priority Industry Retrainee	MENU: Continuous Improvement	1,000	24 -200	0	\$756	\$16.47 – \$49.75
Wages After 90-Day Retention						
<u>Occupation</u>						
Engineer						
Production Workers						
Material Experts						
Testers						
Maintenance Workers						
Managers						
Business Administration Staff						
<u>Health Benefits Used To Meet ETP Minimum Wage:</u>					<u>Turnover Rate</u>	<u>% Of Mgrs &amp; Supervisors To Be Trained:</u>
Although the employer pays health benefits for employees, the hourly contribution is not being used to meet the ETP minimum wage requirement.					<2%	10%
<u>Other Employee Benefits:</u>						
Paid holidays and vacation; tuition reimbursement; 401K; stock options						

**COMMENTS / ISSUES:**

➤ *Frontline Workers*

All participants in this project meet the Panel definition of frontline workers under Title 22 California Code of Regulations, Section 4400(ee), except for 100 managers, representing ten percent of the trainee population.

➤ *Production During Training*

The proposed Contractor agrees that during ETP-funded training hours, trainees will not produce products or provide services which will ultimately be sold.

COMMENTS / ISSUES: (continued)

➤ *Repeat Contractor*

In the last contract, training in continuous improvement focused on the conversion of employee skills sets from the commercial aircraft to those needed in the production of the C-17 aircraft. Under this proposal, the continuous improvement training will focus on the new company initiative that has not been provided in the past: "Build and Design Anywhere".

➤ *Substantial Contribution*

Title 22 California Code of Regulations, Section 4410, requires a substantial contribution by any employer for retraining at a facility which previously benefited from two prior Panel Agreements in the amount of \$250,000 or more within the last five years. Boeing is exempt from this requirement because the company has only one ETP contract within the last five year period at the proposed facilities.

RECOMMENDATION:

Staff recommends that the Panel approve this proposal based on Boeing's stated need to upgrade the skills of its workforce in order to implement the new company initiative. In making this recommendation, staff notes that Boeing is an aerospace company, which is among the Panel's targeted industries. The proposed training will enable Boeing to adapt to a high performance workplace and foster retention of manufacturing jobs in California.

NARRATIVE:

Founded in 1904, Boeing is a manufacturer of commercial jetliners and military aircraft, with capabilities in rotorcraft, electronic and defense systems, missiles, satellites, launch vehicles, and advanced information and communication systems. This company is a major United States exporter in terms of sales with customer base extending to 45 countries around the world.

Boeing is organized into five business units: Boeing Commercial Airplanes, Boeing Integrated Defense Systems (IDS), Boeing Capital Corporation, Phantom Works, and Shared Services Group. Within the aerospace industry framework, the IDS division supports the United States government, the Air Force's Evolved Expendable Launch Vehicle program, and NASA's International Space Station. The proposed training will be provided to the IDS division in Southern California locations (Long Beach, El Segundo, Anaheim, Palmdale, and Huntington Beach).

According to company representatives, in 2004 Boeing launched a company initiative called "Design and Build Anywhere". This is a major shift in how Boeing will respond to the demand of the aerospace industry and meet the needs of its customers. This initiative decentralizes all aspects of each product line. As such, from idea conception to final delivery, each product can be produced at any location. This initiative will have a big impact on the company, particularly at the Long Beach facility, which received funding from the United States Congress in September 2006 for the production of ten additional C-17 aircrafts.

NARRATIVE: (continued)

Boeing representatives state that the proposed training in continuous improvement will introduce this initiative to its employees in the development, production, and delivery components that may have been previously assigned to other locations. This training will improve strategy delivery and execution, reduce organizational complexity, and improve competitiveness, which will help better serve its current customers and obtain new business.

*Commitment to Training*

Boeing currently provides new employee orientation, safety, computer training, technical production skills, and courses in engineering processes. Since the last ETP contract, Boeing representatives reported that its training budget has increased by five percent. ETP funds represents less than one percent of Boeing's \$80 million training budget. These funds will be used to augment Boeing's budget to allow training to take place on an accelerated timetable and reach more employees than would be possible without ETP assistance.

At the completion of ETP-funded training, Boeing plans to continue its commitment to skills development by providing staff with ongoing training in continuous improvement. The company intends to establish the successful components of this training as the foundation for future growth in California.

SUBCONTRACTORS:

UAW-Labor Employment and Training Corporation (LETC), Long Beach, California, will provide administration services for an amount not to exceed 13 percent of the payment earned.

THIRD PARTY SERVICES:

UAW-LETC assisted with the development of the training program and completion of the ETP application at no cost to the applicant.

### PRIOR PROJECTS:

The following are completed project statistics for ETP Agreements with this Contractor within the last five years:

PRIOR PROJECTS						
Agreement Number	Location (City)	Term	Contract Amount	Amount Earned	Planned In-kind Contribution	Reported In-kind Contribution
* ET00-0282	Long Beach	4/3/00 - 4/2/02	\$618,300	0	0	0
**ET03-0286	Long Beach	4/7/03 - 4/6/05	\$2,366,000	\$563,397 (24%)	4,000,000	\$960,000

\* *This project was terminated due to change in business conditions and layoffs.*

\*\* *According to the Contractor, this project failed to achieve the planned performance objectives due to a lack of internal coordination, social security identification concerns, and some division's non-adherence to required ETP documentation (ETP Trainee Online Authorization Form and ETP attendance rosters).*

*Since ETP no longer requires a signed ETP Trainee Online Authorization, Boeing expects a better result in this proposal. In addition, the company is implementing the following improvement strategies to ensure attainment of all ETP contract objectives and successful completion of the proposed training:*

- *Increased coordination – a dedicated ETP coordinator has been assigned to ensure that all company divisions are in compliance with the ETP contract objectives, processes, and procedures. This individual will interface with IDS management to review training progress, documentation and tracking issues, and to institute corrective measures as required.*
- *Utilization of Learning and Management Systems (LMS) for training documentation.*

THE BOEING COMPANY

MENU CURRICULUM

Class/Lab Hours  
24 - 200

Trainees will receive any of the following:

CONTINUOUS IMPROVEMENT

LEADERSHIP

- Creating And Leading Teams
- Tools For Leading Change
- Changing Organizational Culture
- Infrastructure For Leading Change

PROJECT MANAGEMENT

- Systems Engineering
- Procurement
- Scheduling
- Planning
- Project Controls

TEAM BUILDING

- Understanding Data
- Presentations
- Troubleshooting Processes
- Team Dynamics
- Problem Solving

<p><u>Comment:</u> The parties agree that the training identified in this Curriculum may be revised from time-to-time during the term of this Agreement at the request of Contractor and with the prior written approval of ETP. (See also Section 12 in this Agreement.)</p>
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*Region 5*  
721 Dunn Road  
Hazelwood, Missouri 63042



Phone: (314) 731-2800  
Fax: (314) 731-2729

INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE & AGRICULTURAL IMPLEMENT WORKERS OF AMERICA - UAW

*Jim Wells*  
Director  
(Member, International Executive Board)

*Ron Gettelfinger*  
President

*Elizabeth Burns*  
Secretary-Treasurer

September 18, 2006

Employment Training Panel

To Member of the ETP Panel:

We are supportive of the request by the Boeing Corporation to provide ETP supported training in Lean Manufacturing, Six Sigma and related classes at the various plant sites in Southern California.

Thank you for your cooperation.

Sincerely,

Jim Wells, Director  
UAW Region 5

JW/ts  
opeiu494

Alaska, Arizona, Arkansas, California, Colorado, Hawaii, Idaho, Kansas, Louisiana, Missouri, Nevada, New Mexico, Oklahoma, Oregon, Texas, Utah, Washington

# M e m o r a n d u m

To: Panel Members Date: January 26, 2006

From: Dolores Kendrick, Manager Analyst: E. Wadzinski

Subject: One-Step Agreement for IRWIN INDUSTRIES, INC.

## CONTRACTOR:

- Training Project Profile: Retraining: Companies W/Out-Of-State Competition  
SET - Workers Earning At Least State Avg Hrly Wage  
SET - Workers In High Unemployment Areas  
Moving To A High Performance Workplace
- Legislative Priorities:
- Type of Industry: Construction
- Repeat Contractor: No
- Contractor's Full-Time Employees
  - Worldwide: 1,250
  - In California: 574
- ETP Trainees Represented by Union: Yes
- Name and Local Number of Union Representing ETP Trainees: International Union of Public and Industrial Workers

## CONTRACT:

- Program Costs: \$742,446
- Substantial Contribution: \$0
- Total ETP Funding: \$742,446
- Total In-kind Contribution: \$809,121
  - Trainee Wages Paid During Training: \$809,121
  - Other Contributions: \$0
- Reimbursement Method: Fixed-Fee
- County(ies) Served: Los Angeles, San Bernardino, Ventura, Santa Barbara

## INTRODUCTION:

Irwin Industries, Inc. (Irwin), is a construction and maintenance company that contracts with refineries and power plants in the areas of oil and gas, petrochemical, pipeline and products distribution, mining and pharmaceuticals. Irwin's services include: Engineering and Design Services, Capital Project Construction, Plant Modifications, Contract Maintenance, Power Plant Construction and Maintenance, Instrumentation & Electrical, and Fabrication. The company provides turnkey capabilities for its growing list of industrial customers.

Irwin's headquarters facility in Long Beach is eligible under Title 22 California Code of Regulations Section 4416 (e)(2)(a) because at least 25 percent of the gross annual revenue is derived directly from out-of-state operations. Irwin's construction facilities in Colton, Torrance, El Segundo, Goleta, Wilmington, Carson and Fontana, qualify for ETP funding as Special Employment Training (SET) under Title 22 California Code of Regulations, Section 4409(a) for frontline workers who earn at least the state average hourly wage. In addition, the construction facilities in Paramount and Ventura qualify for High Unemployment Area wage waivers under Section 4409(b) and Section 4429.

## MEETING ETP GOALS AND OBJECTIVES:

Irwin proposes training that will further the following ETP goals and objectives:

- 1) Foster the retention of manufacturing jobs within California.
- 2) Foster growth and job retention in industries that do not have out-of-state competition and industries in high areas of unemployment.
- 3) Foster job retention of high-wage, highly-skilled frontline workers.
- 4) Enhance job skills of frontline workers working in a high performance workplace.

**TRAINING PLAN TABLE:**

Grp/Trainee Type	Types Of Training	No. Retain	No. Class/Lab Videocnf. Hrs.	No. CBT Hrs.	Cost Per Trainee	Hourly Wage After 90 Days
Retrainee Job Number 1	MENU: Business Skills Commercial Skills Computer Skills Continuous Improvement Literacy Skills	178	24-200	0	\$1,368	*\$13.51 - \$59.00
SET HUA Job Number 2	MENU: Business Skills Commercial Skills Computer Skills Continuous Improvement Literacy Skills	204	24-200	0	\$1,530	*\$13.12 - \$29.00
SET High Wage Job Number 3	MENU: Business Skills Commercial Skills Computer Skills Continuous Improvement Literacy Skills	107	24-200	0	\$1,746	*\$22.51 - \$29.00
Wages After 90-Day Retention						
<u>Occupation</u>						
Corporate Support Staff Managers Craftspeople						
<u>Health Benefits Used To Meet ETP Minimum Wage:</u>				<u>Turnover Rate</u>	<u>% Of Mgrs &amp; Supervisors To Be Trained:</u>	
* Health Benefits of up to \$3.02 per hour may be used for Job 1 and Job 2 trainees to meet the ETP minimum hourly rate of \$13.51 for Los Angeles County, the ETP minimum hourly rate of \$13.12 for Ventura County and for Job 3 trainees to meet the SET ETP minimum hourly rate of \$22.51.				5.5%	2%	
<u>Other Employee Benefits:</u>						
In addition to health, dental and vision, Irwin Industries, Inc. offers tuition reimbursement, life and disability insurance, vacation, holiday and sick pay.						

### COMMENTS / ISSUES:

➤ *Frontline Workers*

All participants in this project, except ten managers in Job Number 1, meet the Panel definition of frontline workers under Title 22 California Code of Regulations, Section 4400(ee).

➤ *Production During Training*

Irwin agrees that during ETP-funded training hours, trainees will not produce products or provide services which will ultimately be sold.

➤ *Safety Training*

Per Title 22 California Code of Regulations, Section 4420.5(c)(2), some occupations, by the very nature of the work, require intensive skills training in safety procedures. Funding for these and similar occupations would not be subject to the restrictions herein. Irwin's curriculum includes some safety training. The company's workers are engaged in oil/gas extraction which is an example of vocations skills training that would include a concentration of safety procedures. No OSHA or other government required safety training will be provided in this Agreement.

➤ *Training in High Unemployment Areas (HUA) of California*

Title 22 California Code of Regulations, Sections 4409(b) provides for a waiver of the state hourly wage requirement for frontline workers in a SET project, training in areas where the unemployment rate is significantly higher than the state average.

Irwin is requesting this waiver for training at the construction facilities in Paramount and Ventura. Based on the Employment Development Department figures for November 2006, these cities are recognized as High Unemployment Areas exceeding the state average unemployment by 25 percent or more. Thus, they qualify for a waiver of the state hourly wage (\$22.51) under SET. The ETP minimum wage for these areas would apply instead.

### RECOMMENDATION:

Staff recommends that the Panel approve this proposal to train Irwin employees in the skills needed to update its manufacturing technology, and improve customer service for current and proposed projects. Irwin is experiencing a large demand for construction, installation and maintenance of petroleum processing products. Given this growth mode, Irwin is implementing a Business Performance Program with training designed to improve customer satisfaction through employee accountability. The company expects to hire 500 employees throughout the term of the ETP-funded training project, in High Unemployment Areas of the state and staff recommends a wage waiver, for SET training in those areas.

NARRATIVE:

Robert Irwin founded Irwin Industries, Inc. in 1922. It is now a wholly owned subsidiary of Park Corporation of Cleveland Ohio. Irwin's key services include: Engineering & Design Services, Capital Project Construction, Plant Modifications, Contract Maintenance, Power Plant Construction and Maintenance, Instrumentation & Electrical, and Fabrication. The company provides turnkey capabilities for its growing list of industrial customers including Chevron, Exxon Mobil, Plains Exploration and Production (PXP), Paramount Petroleum, Southern California Edison, and British Petroleum Arco.

There have been no new refineries built in the United States (U.S.) since 1976 and Irwin representatives state it is unlikely this will change. This has put increasing pressure on existing facilities to meet the growing demand for petroleum products.

The Energy Information Administration (EIA) projects continued growth in demand for petroleum products at roughly 1.5% per year through 2020. Overall U.S. capacity has increased at existing sites in an effort to meet increasing product demand. In addition to increasing demand, petroleum producers are faced with ongoing challenges to produce cleaner burning petroleum products like gasoline, diesel fuel, home heating oil, and jet fuel. This increased growth and demand for cleaner burning petroleum products is creating a demand for Irwin's services at these refineries.

In addition to the increased demand for energy products there have been recent increases in regulating requirements. These changes require the construction of new processing units as well as ongoing maintenance. This has created numerous business opportunities for Irwin. As an example, Irwin was recently awarded a \$70 million contract to install cogeneration plants for Southern California Edison. Irwin representatives state that this contract will lead to an addition of an estimated 500 jobs throughout the term of this Agreement. The company is also becoming increasingly involved in oil and gas production projects as sustained high oil processes have prompted more drilling. In order for Irwin to be prepared to effectively bid on new business opportunities, the company must recruit and train sufficient skilled workers.

Given the large demand for construction and maintenance services, Irwin anticipates doubling its revenue between 2006 and 2010. To position the company for growth, Irwin needs to streamline its systems and processes and make additional investments in technology, employees, and training. One of the initiatives the company is implementing is a comprehensive Business Performance Program designed to improve customer satisfaction through employee accountability. To support this effort, the company is committed to expanding its training department to provide a wider range of education and development opportunities for its employees.

Irwin is in the process of developing an integrated document management system that will allow Irwin to more efficiently process, store, and retrieve information. The system will be further enhanced by the implementation of the company's Intranet portal, which will serve as a communication hub, linking the office and field staff, and eventually, its customers and vendors. The development and implementation of these new systems will require Irwin to provide extensive training to its employees to enable them to understand the concept and to effectively, utilize, manage, and maintain the system.

NARRATIVE: (continued)

For these reasons Irwin proposes the following skills training:

Business Skills

Frontline and management employees will receive supplemental business skills in areas such as communication skills, finance for non-financial personnel, estimating, scheduling, field accounting, and contract/client management.

Commercial Skills

Irwin commercial skills training for its frontline craftspeople workforce will include: soil excavation, construction inspection/execution, advanced rigging/hoisting/spotting, and equipment usage and calibration.

Computer Skills

Computer skills training for frontline and management staff such as: Primavera Project Management, document management system, intranet portal system, and Microsoft Project. In addition, the Company will provide desktop operating systems to ensure the workforce has the necessary skills to take full advantage of the integrated tools and functions of these new software systems.

Continuous Improvement Skills

Frontline and management workforce will receive training in continuous improvement skills aimed at moving the Company to a higher level of performance through time/organization/change management, defining and implementing business goals and objectives, conflict resolution/management, teambuilding, quality assurance/quality control, and leadership skills.

Literacy Skills

Literacy skills will be provided to trainees assessed by Irwin as needing to improve their literacy skills in Vocational English as a Second Language (VESL) including basic workplace technology, English verbal and written communication, grammar, writing, reading, and language comprehension skills to enhance the craftspeople's understanding and enable them to more efficiently accomplish their daily work duties. The Company has performed a needs assessment to determine specific need and level of instruction necessary for each trainee.

*Commitment to Training*

Irwin representatives state that ETP funding will not displace its ongoing investment in training.

Irwin delivers training in areas such as: new hire orientation, anti harassment, basic safety training, OSHA skills, basic job skills, personal finance and retirement planning, first aid training, defensive driving and voluntary training including CPR and personal development skills. In addition, Irwin will provide leadership training to its Executive staff during the term of the proposed Agreement at its own expense. Irwin will continue to provide this ongoing training during the term of the proposed ETP Agreement and beyond. The Company expects to invest approximately \$2.4 million in training for 2007/2008.

**SUBCONTRACTORS:**

Training Funding Partners (TFP) of Tustin, California will provide administrative services to Irwin in connections with this proposal. By contractual arrangement between Irwin and TFP, ETP funds will be used to pay for said services in the amount of \$81,669, not to exceed 11% of payment earned, whichever is less.

**THIRD PARTY SERVICES:**

Training Funding Partners of Tustin, California assisted Irwin in developing this proposal for a flat fee in the amount of \$45,000.

IRWIN INDUSTRIES, INC.

MENU CURRICULUM

Standard Class/Lab  
24-200 Hours

*Trainees will be provided any of the following:*

BUSINESS SKILLS

- Communication Skills
- Finance for Non Finance Personnel
- Project Management/Controls and Site Administration
- Estimating
- Scheduling
- Contract/Client Management
- Field Accounting
- Labor and Materials Procurement

COMMERCIAL SKILLS

- Excavation/Trenching/Shoring
- Construction Inspection/Execution
- Equipment Usage and Calibration
- Advanced Rigging/Hoisting/Spotting
- Exxon Mobile Site Specific Skills
- Pipefitter/Carpenter/Crane Operator Skills
- Forklift/Gradall/Roller/Scissor Lift/Manlift Training
- Irwin-defined Advanced Environmental Health and Safety Training
  - Process Safety Management
  - Fall Protection
  - Fresh Air/Supplied Air Monitor
  - Confined Space/Hole Watch
  - Exposure Hazards
  - Refinery Safety and Maintenance
  - Job Safety Analysis
  - Mine Safety and Health Administration

*(No OSHA or other government required safety training will be provided in this Agreement)*

IRWIN INDUSTRIES, INC.

MENU CURRICULUM (continued)

Standard Class/Lab

24 - 200 Hours

*Trainees will be provided any of the following:*

Computer Skills

- Primavera Project Management
- Microsoft Project
- Systems Applications
- Intranet Portal System
- Document Management System

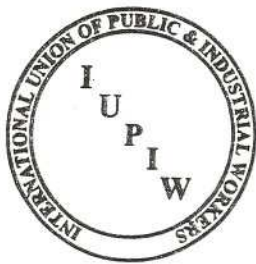
Continuous Improvement Skills

- Time/Organization/Change Management
- Conflict Resolution/Management
- Defining and Implementing Business Goals/Objectives
- Teambuilding
- Quality Assurance/Quality Control
- Leadership Skills

Literacy Skills (less than 45% of total job skills training)

- Vocational English as a Second Language (VESL)
  - Job specific words and phrases in construction terminology
  - English writing and communication skills
  - Completing Work Documents

<p><u>Comment:</u> The parties agree that the training identified in this Curriculum may be revised from time-to-time during the term of this Agreement at the request of Contractor and with the prior written approval of ETP. (See also Section 12 in this Agreement.)</p>
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# INTERNATIONAL UNION OF PUBLIC AND INDUSTRIAL WORKERS

October 19, 2006

To: Mr. Skip Protko  
Fax: 310-834-9402  
From: Will Hope  
Re: Training, Safety, and Crafts.

Dear Mr. Protko,

This letter is in appreciation of your Company (Irwin Industries) and its support efforts by providing and supplying craft, and safety, quality, computer and vocational English as second language training, to the members of the International Union of Public and Industrial Workers.

Should you have any questions with regard to the nature of this letter, please feel free to contact me at: 562-630-6232.

Sincerely,

William Hope  
Senior International Representative

PC: George Beltz

# M e m o r a n d u m

To: Panel Members

Date: January 26, 2007

From: Dolores Kendrick, Manager

Analyst: M. Reeves

Subject: One-Step Agreement for OMNI LOS ANGELES HOTEL AT CALIFORNIA PLAZA

## CONTRACTOR:

- Training Project Profile: Retraining: Companies W/Out-Of-State Competition
- Legislative Priorities: Moving To A High Performance Workplace
- Type of Industry: Services Convention/Conference Hotel
- Repeat Contractor: No
- Contractor's Full-Time Employees
  - *Worldwide:* 18,500
  - *In California:* 800
- ETP Trainees Represented by Union: No
- Name and Local Number of Union Representing ETP Trainees: N/A

## CONTRACT:

- Program Costs: \$196,800
- Substantial Contribution: \$0
- Total ETP Funding: \$196,800
- Total In-kind Contribution: \$198,000
  - *Trainee Wages Paid During Training:* \$198,000
  - *Other Contributions:* \$0
- Reimbursement Method: Fixed-Fee
- County(ies) Served: Los Angeles

### INTRODUCTION:

Omni Los Angeles Hotel at California Plaza (Omni) provides luxury accommodations and convention/conference resources to corporate business and upscale leisure travelers. Omni proposes to retrain 320 workers employed at its Los Angeles facility in the skills necessary to transition to a high performance workplace.

Omni has been determined eligible for ETP funding under the out-of-state competition provisions outlined in Title 22 California Code of Regulations, Section 4416 (g)(2), as a convention/conference hotel that derives at least 25 percent of its gross annual revenue from transient lodging or related services provided to out-of-state visitors to a convention, conference, or trade show.

### MEETING ETP GOALS AND OBJECTIVES:

Omni proposes training that will further the following ETP goals and objectives:

- 1) Promote the growth of California's economy by stimulating convention business that would otherwise go to other states.
- 2) Provide workers with skills that prepare them for a high performance workplace.
- 3) Foster job retention in industries threatened by out-of-state competition.

**TRAINING PLAN TABLE:**

Grp/Trainee Type	Types Of Training	No. Retain	No. Class/Lab Videocnf. Hrs.	No. CBT Hrs.	Cost Per Trainee	Hourly Wage After 90 Days
Job Number 1 Retrainee	MENU: Business Skills Computer Skills Continuous Improvement	320	24 - 120	0	\$615	*\$13.51 - \$38.37
Wages After 90-Day Retention						
<u>Occupation</u>						
Customer Service Staff Housekeeping Staff Lead Staff Marketing Staff Service Staff Support Staff Supervisor Manager						
<u>Health Benefits Used To Meet ETP Minimum Wage:</u>  *Health Benefits of at least \$3.51 per hour may be added to the trainee's wages to meet the ETP minimum hourly wage of \$13.51 for Los Angeles County.					<u>Turnover Rate</u> 19%	<u>% Of Mgrs &amp; Supervisors To Be Trained:</u> 14%
<u>Other Employee Benefits:</u>  Life Insurance, 401(k) Retirement Plan, Short-term and Long-term Disability, Employee Assistance Program, Bereavement Leave, Vacation, Holiday, Sick Leave.						

### COMMENTS / ISSUES:

#### ➤ *Frontline Workers*

All participants in this project meet the Panel definition of frontline workers under Title 22 California Code of Regulations, Section 4400(ee), except for 45 managers and supervisors who represent 14 percent of the trainee population.

#### ➤ *Production During Training*

The proposed Contractor agrees that during ETP-funded training hours, trainees will not produce products or provide services which will ultimately be sold.

### RECOMMENDATION:

Staff recommends that the Panel approve this project because the proposed training will provide frontline workers with the skills needed to support a high performance workplace. In addition, this training will help Omni improve its ability to attract conference/convention business that promotes the continued growth of California's economy.

### NARRATIVE:

Omni Los Angeles Hotel at California Plaza is part of the Omni Hotels Corporation headquartered in Irving, Texas. Omni Hotels Corporation is owned by TRT Holdings, Inc., also located in Irving, Texas. Omni Hotels Corporation operates 39 luxury hotels and resorts throughout the United States, Canada, and Mexico. Omni has two additional hotels in California located in San Diego and San Francisco. This training proposal only targets workers from Omni's Los Angeles facility.

Located in the heart of downtown Los Angeles, Omni operates in an extremely competitive marketplace. In its attempt to attract out-of-state convention business and group planners, Omni is in direct competition with hotel chains such as Hilton, Marriott, and Starwood Hotels & Resorts.

The company has determined that it must raise its standard in order to maintain its competitive edge and continue to satisfy the expectations of its valued guests. To meet this challenge, Omni will be adding a new dimension to the hotel setting called the "Omni Cultural Experience." This concept involves enhancing the hotel and conference center atmosphere, improving guest support services, and developing effective employee teams by raising integrity and building trust. Another key component to Omni's corporate culture is its "The Power of One" concept which gives each of its associates the authority to make decisions in a positive, supportive environment. The company needs to expand this philosophy to all areas of customer service to improve the guest experience.

NARRATIVE: (continued)

According to company representatives, Omni Hotels received recognition by J.D. Power and Associates as one of the "Highest in Guest Satisfaction among Upscale Hotel Chains." To maintain its leadership position in the industry, Omni has added Internet commerce (eCommerce) to its marketing efforts. Omni must train its employees in the use of web-based technology in order to maximize the company's newly instituted eCommerce activities.

Consistency and innovation are the hallmarks of Omni Hotels. Accordingly, Omni plans to use in-house trainers to deliver most of the proposed training. Training will focus on process improvements, innovative software applications, effective communication, customer service, problem solving, decision-making, and team building.

Business Skills will be delivered to all occupations. Trainees will improve their interpersonal skills to allow them to communicate more effectively with internal customers and hotel guests. Trainees will learn to identify customer needs and resolve complaints to the full satisfaction of guests.

Computer Skills training will be provided to Customer Service Staff, Support Staff, Marketing Staff, Service Staff, Leads, Supervisors, and Managers. This training will equip workers with the skills to utilize multiple software applications in a computerized business environment. Key training modules include communication software (telecommunications programs that allow computers, phones, and Internet applications to exchange data), computerized inventory control, and web-based applications. These training modules will enable the company to expand its technology capabilities far beyond current levels.

Continuous Improvement training will be provided to all occupations. Trainees will learn to apply a team-oriented approach to solve problems and improve service quality. This training will allow Omni to implement vital process improvements using Kaizen and Total Quality Management techniques.

*Commitment to Training*

Omni representatives state that ETP funding will not displace the employer's resources for training. The company has had no formal training plan in place prior to this proposal. Omni's past training has consisted of new employee orientation, sexual harassment, and informal, on-the-job training. The company dedicates approximately \$50,000 annually to training, on an as needed basis, and will continue to provide this ongoing training during the term of the proposed ETP Agreement at its own expense.

Omni expects the proposed training to foster an improved corporate culture defined by employee empowerment, supreme customer service and high guest satisfaction. ETP funding will allow the company to deliver a broader scope of formal training to a larger population of frontline staff. At the completion of ETP-funded training, Omni plans to incorporate the most successful components of this training into its ongoing training efforts.

**SUBCONTRACTORS:**

National Training Company, Inc. (NTC), Irvine, California, will provide administrative services to Omni in connection with this proposal. By contractual arrangement between Omni and NTC, ETP funds will be used to pay for said services in the amount of \$25,000 or not to exceed 13 percent of payment earned, whichever is less.

**THIRD PARTY SERVICES:**

NTC, Irvine, California, assisted Omni in developing this proposal for a flat fee in the amount of \$5,000.

OMNI LOS ANGELES HOTEL AT CALIFORNIA PLAZA

MENU CURRICULUM

Class/Lab  
Hours  
24 – 120

Trainees will receive any of the following:

CONTINUOUS IMPROVEMENT

- Motivating Employees to Change
- Team Development Skills
- Peer Coaching
- Total Quality Management
- Team Member Differences
- Competency Model
- Resolving Service Problems
- Team Problem Solving
- Kaisen
- Best Work Practices

COMPUTER SKILLS

- Accounting Systems
- Synergy Computer Software
- Internal Customer Applications
- Computerized Inventory
- Product Types
- Intermediate/Advanced Excel and PowerPoint
- Communication Software
- Web-based Applications
- Marketing on the Web

OMNI LOS ANGELES HOTEL AT CALIFORNIA PLAZA

MENU CURRICULUM (continued)

BUSINESS SKILLS

- Identifying/Meeting Customer Needs
- Resolving Customer Complaints
- Putting the Customer First
- Interpersonal Skills
- Product Knowledge
- Marketing Techniques
- Accounting Skills
- Inventory Control
- Standard Operating Procedures
- Business Processes

Comment: The parties agree that the training identified in this Curriculum may be revised from time-to-time during the term of this Agreement at the request of Contractor and with the prior written approval of ETP. (See also Section 12 in this Agreement.)

# M e m o r a n d u m

To: Panel Members

Date: January 26, 2007

From: Creighton Chan, Manager

Analyst: D. Woodside

Subject: One-Step Agreement for DIEBOLD, INC.

## CONTRACTOR:

- Training Project Profile: Retraining: Companies W/Out-Of-State Competition
- Legislative Priorities: Locating Into Or Expansion Within California
- Type of Industry: Manufacturing
- Repeat Contractor: No
- Contractor's Full-Time Employees
  - *Worldwide:* 16,383
  - *In California:* 452
- ETP Trainees Represented by Union: No
- Name and Local Number of Union Representing ETP Trainees: N/A

## CONTRACT:

- Program Costs: \$331,200
- Substantial Contribution: \$0
- Total ETP Funding: \$331,200
- Total In-kind Contribution: \$448,220
  - *Trainee Wages Paid During Training:* \$448,220
  - *Other Contributions:* \$0
- Reimbursement Method: Fixed-Fee
- County(ies) Served: Statewide

## INTRODUCTION:

Founded in 1859, Diebold, Inc. (Diebold) develops, manufactures, sells, installs, and services automated self-service transaction systems, electronic and physical security products, election systems, software, and various products used to equip bank facilities and electronic voting terminals. Its products include self-service banking products and automated teller machines, RemoteTeller™ systems, vaults, safe deposit boxes, safes, drive-up banking equipment, electronic voting systems, integrated security solutions, and software solutions and services that process events and transactions. Diebold's primary customers include banks and financial institutions, as well as government agencies and various retail outlets. The company employs 452 Californians at its various facilities located in Brea, Cypress, Dublin, Glendale, Moorpark, Riverside, Roseville, West Sacramento, and San Diego.

Diebold is eligible for standard retraining under the out-of-state competition Title 22 California Code of Regulations, Section 4416(d)(1,2) for the integrated installation, testing, maintenance, and related internal services provided on behalf of its electronic equipment customers located both inside and outside of California.

The company is requesting the Panel's assistance to retrain 160 customer service engineers so that Diebold can continue to meet customer demands in California, which is becoming one of the company's fastest growing markets. Training will be provided in technical/commercial and computer skills so that these frontline workers will have the most advanced hardware and software skills to manufacture and service various products lines and meet expanding customer needs in California.

## MEETING ETP GOALS AND OBJECTIVES:

Diebold proposes training that will further the following ETP goals and objectives:

1. To foster job retention in a secure, high-wage occupation.
2. To increase the impact of training on California's economy and target available funds to support a growth priority industry.
3. To support Diebold's training of its California workforce as it expands.

**TRAINING PLAN TABLE:**

Grp/Trainee Type	Types Of Training	No. Retain	No. Class/Lab Videocnf. Hrs.	No. CBT Hrs.	Average Cost Per Trainee	Hourly Wage After 90 Days
Job Number 1 Retrainee	MENU: Commercial Skills Computer Skills	160	24 - 200	0	\$2,070	\$19.49 - \$30.95
Wages After 90-Day Retention						
<u>Occupation</u>						
Customer Service Engineer						
<u>Health Benefits Used To Meet ETP Minimum Wage:</u> Although the company pays health benefits for trainees, the hourly contribution is not being used to meet ETP minimum wage requirements.					<u>Turnover Rate</u>  19%	<u>% Of Mgrs &amp; Supervisors To Be Trained:</u>  0%
<u>Other Employee Benefits:</u> In addition to health and dental, Diebold offers life insurance, accidental and disability insurance, an investment 401K plan, and tuition reimbursement.						

**COMMENTS / ISSUES:**

➤ *Frontline Workers*

All participants in this project meet the Panel definition of frontline workers under Title 22 California Code of Regulations, Section 4400(ee).

➤ *Production During Training*

The proposed Contractor agrees that during ETP-funded training hours, trainees will not produce products or provide services which will ultimately be sold.

**RECOMMENDATION:**

Staff recommends that the Panel approve this proposal based on the company's stated need to retrain its front-line workers in the technical skills necessary to improve customer service and efficiency. If successful, training will assist Diebold to employ more Californians in high wage, high skilled jobs as its market expands.

### NARRATIVE:

Diebold representatives report that the California market it serves is dynamic and continues to grow. In addition, the company states that some of its largest customers are on the West Coast. To meet customer requirements and service new product roll-outs, the company must retrain its customer service engineers in the technically-advanced and critical skills outlined below. All training will be conducted in Diebold's classroom/laboratory sites located in Brea and Dublin, California by in-house trainers.

Commercial Skills This training will provide trainees with a thorough understanding of the functionality and maintenance procedures for the technical products and equipment the company has developed to meet customer demands. Training will lead to better product knowledge and understanding allowing the customer service engineers to work more efficiently. Also, training will teach the employees how to monitor products remotely to allow for more preventative maintenance and to recognize problems before they affect the customer. Cross-training will be provided in operational and maintenance skills for equipment across the customer base in California. Diebold must also provide training in a predictive maintenance database that will improve the diagnostic tools for the customer service engineers. This will allow employees to better predict failures by identifying any weak components in the equipment.

Computer Skills training will enable trainees to better utilize multiple systems and software applications to resolve product usage, maintenance, and repair issues. Trainees will improve their software knowledge and system networking skills to more effectively address the installation, configuration, and set-up of all components.

### *Commitment to Training*

The proposed customized ETP curriculum will build on, but not overlap, Diebold's on-going training program. Diebold will continue to fund all training in OSHA-mandated safety regulations, sexual harassment prevention, new-hire orientation, and basic job skills. In addition, all on-the-job training and training for employees not eligible for training under ETP will be provided by Diebold at its own expense. The company reports that its current training budget for its California workforce is estimated at \$900,000. In addition, the company has spent an estimated \$235,000 for a new facility expansion allowing for more California-based training. After the ETP agreement has ended, Diebold states that it will continue to increase its investment in training its California workforce.

### SUBCONTRACTORS:

Diebold plans to conduct its own administration.

### THIRD PARTY SERVICES:

Ernst & Young, San Francisco, California, assisted Diebold in developing this proposal for an amount not to exceed \$30,000.

**DIEBOLD, INC.**

**MENU CURRICULUM**

Class/Lab Hours  
24 - 200

Trainees will receive any of the following:

**COMMERCIAL SKILLS**

- + Automated Teller Machine Skills for Customer Service Engineers
- + First Line Automated Teller Machine Maintenance for Diebold Automated Teller Machines
- + Modular Delivery Systems -1000/i/ix Series Automated Teller Machines
- + Agilis 91x2.0
- + Basic Alarm – Circuits and Devices
- + Bulk Note Acceptor
- + Closed Circuit Television Technologies
- + DMP XR200/XR500 (Digital Monitoring Products)
- + Intelligent Depository Module 5
- + Lanex Digital Video Recorder (Field Training Centers)
- + Pacom RemotecTerminal UnitTU
- + Securestat (Bosch/Radionics)
- + Bulk Note Acceptor/Intelligent Depository Module 5
- + DMP XR500 (Direct Monitoring Products)
- + PassVault

**COMPUTER SKILLS**

- + Opteva Software/Hardware Class
- + HandNet Software with HandKey Reader

<p><u>Comment:</u> The parties agree that the training identified in this Curriculum may be revised from time-to-time during the term of this Agreement at the request of Contractor and with the prior written approval of ETP. (See also Section 12 in this Agreement.)</p>
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# M e m o r a n d u m

To: Panel Members Date: January 26, 2007

From: Creighton Chan, Manager Analyst: T. Teles

Subject: One-Step Agreement for MONTEREY MUSHROOMS, INC.

## CONTRACTOR:

- Training Project Profile: Retraining: Companies W/Out-Of-State Competition Training In High Unemployment Areas Of California
- Legislative Priorities: Promotion of California's Manufacturing Workforce Moving To A High Performance Workplace Developed Jointly By Management And Workers
- Type of Industry: Agriculture
- Repeat Contractor: Yes
- Contractor's Full-Time Employees
  - Worldwide: 3,500
  - In California: 1,400
- ETP Trainees Represented by Union: Yes
- Name and Local Number of Union Representing ETP Trainees: United Farm Workers of America, AFL-CIO

## CONTRACT:

- Program Costs: \$1,038,600
- Substantial Contribution: \$0
- Total ETP Funding: \$1,038,600
- Total In-kind Contribution: \$1,070,450
  - Trainee Wages Paid During Training: \$1,070,450
  - Other Contributions: \$0
- Reimbursement Method: Fixed-Fee
- County(ies) Served: Santa Clara, Santa Cruz

## INTRODUCTION:

Monterey Mushrooms, Inc. (MMI) is a privately held company that was established in 1971 as a single farm operation near Watsonville, California. MMI is a producer of fresh mushrooms with 1,400 California workers at the Watsonville headquarters and at its four production facilities in California. MMI processes mushrooms for larger chain markets and discount markets and stores. The company is one of the few agricultural companies in the Watsonville area that employs its workers year round.

This is MMI's third ETP training project. The first project was developed to train employees from three farms but under performed because it did not have sufficient management commitment. The second project was developed for the Royal Oaks farm as a pilot project to initiate a formal training program called Collaborative Workforce Program (CWFP) which changed the culture of the company that relied on management for decision making and problem solving to a team based approach that empowered frontline workers to implement changes. CWFP is designed to train frontline workers in the skills necessary to assist the company in reducing costs, increasing efficiency, and ensuring product safety. Based on the success of the training at the Royal Oaks farm, MMI will begin the implementation the CWFP at the farms in Las Lomas and Morgan Hill and will continue the training at the Royal Oaks farm.

To meet customer demands, MMI expanded its product line of fresh mushroom products, introduced different customized packaging configurations, introduced a bagged mushroom product, developed a patented washing process for the ready to eat mushroom market, introduced a computer-based climate control for mushroom growing rooms, and plans to add bagging and refrigerating machines in the packing operations. All these changes will impact the employees at three farms and will require training in new processes and operating methods. In addition, MMI wants to develop team based approach to decision making for its frontline workers that will give employees the skills to problem solve and implement solutions and move the company into a high performance workplace. The training will ensure that MMI will meet and exceed customer expectations and demands by increasing efficiency, controlling product quality and consistency, and remaining competitive.

MMI is eligible for standard ETP funding as a manufacturing company facing out-of-state competition as specified under Title 22 California Code of Regulations, Section 4416(b). This training is supported by the local chapter of the United Farm Workers of America (UFW).

## MEETING ETP GOALS AND OBJECTIVES:

MMI proposes training that will further the following ETP goals and objectives:

- 1) To support joint labor union-employer training developed jointly by management and labor.
- 2) To promote the retention of manufacturing jobs within California for companies that face out-of-state competition.

**TRAINING PLAN TABLE:**

Grp/Trainee Type	Types Of Training	No. Retain	No. Class/Lab Videocnf. Hrs.	No. CBT Hrs.	Cost Per Trainee	Hourly Wage After 90 Days
Job Number 1 Retrainees	MENU:  Continuous Improvement  Manufacturing Skills	1,154	24 - 200	0	\$900	*\$13.51 - \$36.69 and **\$10.13 - \$36.69
Wages After 90-Day Retention						
<u>Occupation</u>  <u>Royal Oaks and Las Lomas locations:</u> Growing Staff Harvest Staff Packing Staff Maintenance Staff Foreperson Supervisor Manager  <u>Morgan Hill location (HUA):</u> Growing Staff Harvest Staff Packing Staff Maintenance Staff Foreperson Supervisor Manager						
<u>Health Benefits Used To Meet ETP Minimum Wage:</u>  * Health benefits of at least \$3.15 per hour may be applied to the base wage in order to meet the ETP minimum hourly wage of \$13.51 for Santa Clara and Santa Cruz Counties.  ** Morgan Hill Farm - Health benefits of at least \$2.17 per hour may be applied to the base wage in order to meet the ETP minimum hourly wage of \$10.13 for High Unemployment Area in Santa Clara County.					<u>Turnover Rate</u>  7.3%	<u>% Of Mgrs &amp; Supervisors To Be Trained:</u>  3%
<u>Other Employee Benefits:</u>  Represented employees: vacation, life insurance, pension plan, and paid holidays, sick pay. Non-Represented: vacation, sick leave, 401k plan, paid holidays, and tuition reimbursement.						

### COMMENTS / ISSUES:

#### ➤ *Frontline Workers*

All participants in this project meet the Panel definition of frontline workers under Title 22 California Code of Regulations, Section 4400(ee). The 35 managers and supervisors are considered frontline workers.

#### ➤ *Production During Training*

MMI agrees that during ETP-funded training hours, trainees will not produce products or provide services which will ultimately be sold.

#### ➤ *High Unemployment Area Wage Waiver*

MMI is requesting a waiver of the standard ETP wage of \$13.51 to \$10.13 (including benefits) for employees of the Morgan Hill farm which is in a designated High Unemployment Area of Santa Clara County. The trainee post-retention wage increase will be based on the collective bargaining agreement.

### RECOMMENDATION:

Staff recommends that the Panel approve this agreement and the lower wage for the high unemployment area trainees because MMI an agricultural company that employs year-round workers a portion of whom are in a high unemployment area. Further, this project is supported by United Farm Workers of America.

### NARRATIVE:

MMI seeks funding to allow a level of training that will help it meet several industry challenges. For one thing, MMI faces out-of-state competition from growers that have lower operating costs because they are located in Canada, China, and in central and eastern United States. Also, the recent food safety scare in the spinach industry has had a significant impact on agriculture in California, with increasingly stringent food safety requirements for mushroom production.

To stay competitive, MMI is implementing a Collaborative Workforce Program (CWFP) that will change the culture of the company from linear decision making to a collaborative, team-based approach. The CWFP is designed to train frontline workers in skills necessary to assist the company in reducing costs, increasing efficiency, and ensuring product safety. These changes require the training of 1,154 trainees in continuous improvement and manufacturing skills.

Continuous Improvement - To implement the CWFP, MMI will train employees to work in teams with representatives from various areas of operation and occupations and these teams will work on projects that will identify and analyze problems and provide solutions. Employees will receive training in teambuilding, problem solving, leadership skills, conflict management and

NARRATIVE: (continued)

statistical process control tools. In addition, some of the staff will be trained as facilitators to guide the teams through the problem solving process. Training at the Royal Oaks farm will continue the process of working in teams at a more advanced skill level. The implementation of the CWFP that began at the Royal Oaks farm will be expanded by developing team facilitators to increase the autonomy of the teams and capacity to solve more complex problems.

Manufacturing Skills - Mushroom crop growing methods are highly mechanized and dependent of both skilled equipment operators and technicians and packaging methods are becoming more mechanized. To increase quality, efficiencies and reduce the chances of contamination, MMI must train employees in mushroom science and production. Employees will learn the biology of mushrooms (life cycle), chemistry (pH), and physics (relative humidity) that affect the mushroom production. Employees will also be trained in the different manufacturing processes to improve quality and efficiency.

*Commitment to Training*

The company reports that its annual expenses for training are estimated to be \$1,018,836 in on-the-job training, new employee training, worker safety, CAL-OSHA requirements, food safety, and other regulatory training. As evidence of the commitment training, MMI implemented lean manufacturing practices in all aspects of mushroom processing. After the ETP project is complete, the Collaborative Workforce Program will continue at all three farms which will require additional training as new teams and projects are initiated. Further, MMI may extend the CWFP to other farms once the success of the ETP project is evaluated and this will require additional training.

SUBCONTRACTORS:

Farmworker Institute for Educational and Leadership Development (FIELD), Bakersfield, California, for an amount to be determined, for the provision of a portion of classroom instruction.

inKNOWvate, Watsonville, California, for an amount to be determined, for administrative services and a portion of the classroom instruction. The cost of the administrative services will not exceed 13 percent of the payment earned.

THIRD PARTY SERVICES:

inKNOWvate assisted in the development of the ETP application at a flat fee of \$5,000.

### PRIOR PROJECTS:

The following are completed project statistics for ETP Agreements with this Contractor within the last five years:

PRIOR PROJECTS						
Agreement Number	Location (City)	Term	Contract Amount	Amount Earned	<i>Planned</i> In-kind Contribution	<i>Reported</i> In-kind Contribution
ET02-0334	Royal Oaks	05/06/02 - 05/05/04	\$184,080	* \$48,360	\$174,359	\$47,616

\* The Contractor reported that MMI underperformed because the number of trainees that could be trained during the term was overestimated and managers were not fully involved in developing the project and, therefore, did not have additional staff to maintain production schedules.

### ACTIVE PROJECTS:

The following are current project statistics:

ACTIVE PROJECTS						
Agreement Number	Agreement Amount	Term	Planned Number To Be Retained	Number Enrolled	Number Completed Training	Number Retained For 90 Days
ET05-0171	\$242,424	04/19/05 - 04/18/07	259	728	511	511

The Contractor's representative reports that MMI expects to invoice for 95 to 100 percent of the funds allocated. This is supported by ETP's on-line tracking which shows that the contractor has a total of 19,999 hours of training for trainees that completed at least the 24 hours minimum. If all trainees complete the retention period, the Contractor would be eligible to invoice for 100 percent of the Agreement amount.

MONTEREY MUSHROOMS, INC.

MENU CURRICULUM

Class/Lab Hours

24 – 200

Trainees will receive any of the following:

Continuous Improvement:

- Teambuilding
- Problem Solving
- Decision Making
- Leadership skills for frontline workers
- Statistical Process Control (SPC)
- Math Skills for Statistical Process Control
- Process Improvement
- Conflict Management
- Interpersonal Skills
- Train the Trainer

Manufacturing Skills:

- Basic Mushroom Science
- Mushroom Production

<p><u>Comment:</u> The parties agree that the training identified in this Curriculum may be revised from time-to-time during the term of this Agreement at the request of Contractor and with the prior written approval of ETP. (See also Section 12 in this Agreement.)</p>
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**UNITED FARM WORKERS of AMERICA****P.O. Box 2515 • 519 Main Street • Watsonville, California 95076****Telephone: (831) 763-4820 • Fax: (831) 728-4590****Website: www.ufw.org**

October 27, 2006

Dear ETP Board:

The UFW and Monterey Mushrooms are very interested in developing our members in order to keep up with the constant challenges that we are facing in the work place.

So far, it has been a very positive experience to use some of the ETP funding in making the worker development possible.

Once again, the UFW is in full support of future training by Monterey Mushrooms. And once again to insure the ongoing effectiveness of this training program, we would like the following points codified as part of the ETP Preliminary Agreement and the Final Agreement.

1. The trainings will be provided by the Farmworker Institute for Education and Leadership Development (FIELD).
2. That UFW-Monterey Mushrooms will participate substantively in the development and monitoring of any training provided to union members – including the development of training curricula and selection of the trainers.
3. In order to allow for uniformed participation and support before the Panel, the ETP Development Analyst will provide the UFW a copy of the ETP proposed agreement well in advanced of the date it is to be presented to the Panel for approval.
4. Periodic monitoring of the union's ongoing satisfaction with the training will be built into the ETP Monitoring Analyst's regular monitoring schedule. This monitoring will include not only the normal interviews with trainees but also with the elected union leadership.

Finally, we thank the Panel for its generous consideration of the commitment of public funds for this training.

Sincerely,

Efrén Barajas  
Vice-President

Cc: file

**¡Con Unión Se Vive Mejor! •**

*Founded by César E. Chávez (1927-1993)*



# M e m o r a n d u m

To: Panel Members

Date: January 26, 2007

From: Creighton Chan, Manager

Analyst: D. Woodside

Subject: One-Step Agreement for SEAGATE TECHNOLOGY LLC

## CONTRACTOR:

- Training Project Profile: Retraining: Companies W/Out-Of-State Competition
- Legislative Priorities: Stimulating Exports/Imports  
Moving To A High Performance Workplace  
Promotion Of California's Manufacturing Workforce
- Type of Industry: Manufacturing Computer Disc Drives
- Repeat Contractor: Yes
- Contractor's Full-Time Employees
  - Worldwide: 45,477
  - In California: 2,149
- ETP Trainees Represented by Union: No
- Name and Local Number of Union Representing ETP Trainees: N/A

## CONTRACT:

- Program Costs: \$1,512,000
- Substantial Contribution: \$0
- Total ETP Funding: \$1,512,000
- Total In-kind Contribution: \$2,757,110
  - Trainee Wages Paid During Training: \$2,757,110
  - Other Contributions: \$0
- Reimbursement Method: Fixed-Fee
- County(ies) Served: Santa Cruz, Santa Clara, and Alameda

## INTRODUCTION:

Founded in 1979, Seagate Technology LLC (Seagate) is a global leader in the design, manufacture and marketing of hard computer disc drives, providing products for a wide-range of applications, including enterprise, desktop, mobile computing, and consumer electronics. Seagate sells disc drives primarily to major OEMs and distributors who incorporate those products into computer and storage systems for resale. Seagate reports that over 70 percent of its revenue comes from customers outside of California.

Seagate employs 2,149 Californians at its headquarters in Scotts Valley and manufacturing sites in Fremont, Milpitas, and Sunnyvale. Seagate qualifies for standard ETP funding as a manufacturing company facing out-of-state competition, under Title 22 California Code of Regulations (CCR), Section 4416(b).

Computer disc drives have extended their adoption beyond traditional computing to include hand-held media players, digital video recorders for TV, home networks, gaming consoles, PDAs, and media servers. These new products are fundamentally changing the way people use information. For example, the home personal computer requires more speed, storage capacity, and higher reliability as consumers worldwide store massive volumes of music, photos, movies, computer games and other digital content. In response to customer demand, Seagate has developed perpendicular recording technology (PRT). This technological breakthrough allows a new way of recording data to the disk media, standing data bits vertically rather than horizontally to the disk surface as with traditional longitudinal recording.

The overall objective of the training plan is (1) to re-tool the existing workforce by building new knowledge relative to PRT disc drive manufacturing and new product development (2) increase the automation and uniformity of Seagate's manufacturing processes through a "Factory of the Future" initiative; and (3) implement the Six Sigma quality management program company-wide. Seagate is requesting the Panel's assistance to provide customized classroom/lab and CBT training to 1,400 of its California employees in advanced technology, continuous improvement, business, management, and computer skills. All ETP-funded training is in support of new business initiatives, product development, and recently developed technologies.

## MEETING ETP GOALS AND OBJECTIVES:

Seagate proposes training that will further the following ETP goals and objectives:

- 1) Support California's economic growth by stimulating exports.
- 2) Foster job retention in an industry threatened by out-of-state competition.
- 3) Promote retention of high-wage, high- skill jobs such as those provided by Seagate.
- 4) Enhance the skills of technical staff such as software developers, engineers, and programmers whose jobs are threatened by outsourcing.
- 5) Prepare workforce for the challenges of a high performance workforce.

**TRAINING PLAN TABLE:**

Grp/Trainee Type	Types Of Training	No. of Trainees to Retain	No. Class/Lab Videocnf. Hrs.	No. CBT Hrs.	Average Cost Per Trainee	Hourly Wage After 90 Days
Job Number 1 Retraitees	MENU: Advanced Technology, Business, Computer, Continuous Improvement, and Management Skills	1,400	24-200	0-80	\$1,080	\$14.80-\$75.50
Wages After 90-Day Retention						
<u>Occupation</u> Administrative Staff Customer Support Representative Operations Support Staff Sales/Marketing Representative Engineer Operations Manager Technician Software Developer						
<u>Health Benefits Used To Meet ETP Minimum Wage:</u> Although the company pays health insurance benefits for trainees, the hourly contribution is not being used to meet ETP minimum wage requirements.				<u>Turnover Rate</u> 8.5%	<u>% Of Mgrs &amp; Supervisors To Be Trained:</u> 0%	
<u>Other Employee Benefits:</u> Employer paid benefits includes paid time-off; vision, dental, and medical insurance; group life term and disability insurance; employee assistance programs including tuition reimbursement, adoption assistance, and retirement accounts; and retirement planning including 401 K and employee stock purchase plans.						

**COMMENTS / ISSUES:**

➤ *Frontline Workers*

All participants in this project meet the Panel definition of frontline workers under Title 22 CCR, Section 4400(ee) including the 75 operations managers who spend more than half their time managing projects or conducting operations.

➤ *Production During Training*

The proposed Contractor agrees that during ETP-funded training hours, trainees will not produce products or provide services which will ultimately be sold.

COMMENTS / ISSUES: (continued)

➤ *Advanced Technology Request*

Seagate is requesting the Advanced Technology (AT) hourly reimbursement rate of \$26 to deliver training to engineers, software developers, and technicians to build applications in the company's mission critical software systems including network infrastructure, firewall and security development, related computer program engineering, factory automation and developmental systems software related to disc drive technology. AT courses in disc drive technology include small computer systems interface, advanced attachment packet interface, embedded servo systems, cyclic redundancy, data density and compression troubleshooting, and perpendicular recording technology. According to Seagate Technology staff, AT courses will be taught by a combination of external vendors and highly compensated internal engineers at an estimated cost of over \$3,000 per day of training. The maximum ratio of 10 trainees per instructor will apply to all training funded at the AT rate. Staff recommends that the Panel approve the AT rate for this portion of the curriculum.

RECOMMENDATION:

Staff recommends that the Panel approve this proposal and the AT reimbursement rate based on Seagate's commitment to developing new technologies that meet global demand, providing its frontline workers with the most advanced technical and process improvement skills, and supporting training that improves productivity and innovation.

In addition to the Advanced Technology training outlined above, Seagate is requesting the Panel's assistance to deliver between 24–200 classroom/laboratory hours and 0-80 CBT hours in the following areas:

Continuous Improvement: The introduction of perpendicular recording technology increases pressure to improve product design cycles, reduce factory ramp time, and increase factory utilization. Product and process quality must be improved to meet such requirements. Seagate's stated goal in fiscal 2007 will be to build on the success of its continuous improvement program by implementing the next stages of its quality measurement and analysis processes and tools. Seagate intends to utilize this quality data to implement corrective action and to expand its best known methods for engineering and manufacturing. All employees with any line or design function will receive training in continuous improvement skills including Six Sigma tools and techniques, analytical problem-solving, design-level decision making, and relevant internal business process applications training.

Computer Skills: Trainees across occupations must be trained on a variety of software and database systems ranging from advanced desktop applications such as Sun Java, C++, and visual basic applications to Seagate's in-house business computer applications for inventory, account management, and manufacturing control. Training will also cover the implementation of the upgraded Oracle Enterprise Resource Planning (ERP) system for all employees since, in one aspect or another; all workers will use the upgraded ERP system.

Business Skills: Seagate reports that many of its employees currently lack the business skills needed to continue the company's successful introduction of new disc drive technologies. These skills include: how to manage projects, develop new business, reduce costs, and prepare effective oral and written presentations to customers. Worldwide operations, including the complexity of Seagate's new products and business transactions, dictate that on-time delivery

NARRATIVE: (continued)

and order accuracy must also be achieved. The proposed business skills training will improve customer service, delivery time, and order accuracy. Product knowledge and marketing techniques training will also be delivered to selected employees to better sell the company's new products to its worldwide customers.

Management Skills: Seagate reports that its practice has been to promote exiting employees, primarily technical professionals and engineers, into management positions. Thus, the company needs to provide operations managers with the skills in order to better support and communicate with their staff in a high performance workplace. Training will provide these employees with leadership, team development, coaching, facilitation, and conflict management skills. Seagate will provide basic supervisory training to all new managers outside of the ETP contract at its own cost.

*Commitment to Training*

According to company representatives, ETP funding for the proposed training will not displace Seagate's resources already committed to employee training. The focus of the two most recent ETP contracts at two different Seagate facilities was on the successful implementation of lean manufacturing techniques. The major focus of this training proposal is on Seagate's transformation to the next level of disc drive technology supporting perpendicular recording technology and on the conversion of worker skills to support the change. Further, the proposed customized ETP curriculum will build on, but not overlap, basic instruction and orientation training already provided by Seagate. Seagate will fund all training in OSHA-mandated safety regulations, sexual harassment prevention, new hire orientation, rudimentary job skills, basic desktop application training in Microsoft Word, Excel, and PowerPoint, executive development programs. In addition, training for employees not eligible for training under ETP will be provided by Seagate at its own expense. Seagate's current training budget for California non-ETP related training is \$2,358,939.

After the ETP agreement has ended, Seagate states that it will increase its investment in worker training and continue with efforts to develop and maintain training in continuous improvement, business and leadership skills. The total projected expenditures for future training in the two years following this ETP project are estimated to be in excess of \$3.4 million.

SUBCONTRACTORS:

Herrera & Company of Stockton, California, will provide ETP administrative services in connection with this proposal. ETP funds will be used to pay for said services for an amount not to exceed 12 percent of the payment earned. California-based training vendors are to be determined and will be added during the Agreement term.

THIRD PARTY SERVICES:

Herrera & Company assisted with the completion of the application documents at no cost to the proposed Contractor.

**PRIOR PROJECTS:**

The following are completed project statistics for ETP Agreements with this Contractor within the last five years:

PRIOR PROJECTS						
Agreement Number	Location (City)	Term	Contract Amount	Amount Earned	<i>Planned</i> In-kind Contribution	<i>Reported</i> In-kind Contribution
ET00-0284	Fremont	06/30/00-06/29/02	\$167,600	\$152,400	*	*
ET03-0177	Milpitas	11/04/02-11/03/04	\$402,792	\$402,792	\$598,920	\$623,156

*\*In-kind data not required when project was developed.*

Seagate Technology LLC

MENU CURRICULUM

Class/Lab Hours  
24-200

Trainees will receive any of the following:

Continuous Improvement Skills:

Manufacturing quality and reliability  
Design tools and practices  
Process and capability mapping  
Cause and effect analysis  
Quality fundamentals/core skills  
Failure modes and effects analysis  
Process improvement training  
Problem solving tools and techniques  
Six sigma tools and techniques

Computer Skills:

Management and manufacturing control systems  
Single-vendor enterprise resources planning  
Microsoft .Net development  
AutoCad applications  
Sun java programming  
C++ programming  
Oracle database development  
Materials and logistics software development

Business Skills:

Technical presentations  
Customer communications and awareness  
Communicating across cultures  
Market validation and decision modeling  
Disc drive recording fundamentals  
Sales and negotiation skills  
Product marketing for engineers  
Finance and accounting skills  
Marketing promotion and position

Management Skills:

Effective change management skills  
Technology for creating ideas  
Team development  
Keys to technical leadership  
Technical business and finance management  
Effective leadership and teambuilding

Seagate Technology LLC

MENU CURRICULUM (continued)

Advanced Technology (AT):

Applied tunneling giant magnetoresistive (TGMR) recording  
Automation technology primer  
Business objects analytics  
Noise and adaptive fly control  
Electrical removable shunt  
Recording head manufacturing technology  
Embedded servo systems and cyclic redundancy  
Perpendicular recording technology  
Disc drive software systems engineering  
Network infrastructure, security, and firewall development  
System data modeling and architecture  
Advanced programming development applications

CBT Hours  
0-80

Computer-Based Training (CBT)

Continuous Improvement Skills:

Product quality and reliability (8 hours)  
Design tools and practices (6 hours)  
Design for excellence (6 hours)  
Six sigma (4 hours)  
Failure modes and effects analysis (8 hours)  
Process improvement training (6 hours)  
Problem solving tools and techniques (6 hours)

Computer Skills:

Management and manufacturing control systems (6 hours)  
Network infrastructure, security, and firewall development (8)  
Single-vendor enterprise resources planning (8 hours)  
Microsoft .Net development (6 hours)  
Sun java programming (8 hours)  
C++ programming (4 hours)  
Oracle database development (6 hours)  
AutoCad applications (4 hours)  
Materials and logistics software development (6 hours)  
Macromedia web development applications (8)

Seagate Technology LLC

MENU CURRICULUM (continued)

Management Skills:

Effective change management skills (4 hours)  
Technology for creating ideas (4 hours)  
Keys to technical leadership (3 hours)  
Technical business and finance management (4 hours)

Business Skills:

Technical presentations (1)  
Customer communications and awareness (4)  
Communicating across cultures (4)  
Disc drive recording fundamentals (6)  
Product marketing for engineers (4)  
Finance and accounting skills (2)

<p><u>Comment:</u> The parties agree that the training identified in this Curriculum may be revised from time-to-time during the term of this Agreement at the request of Contractor and with the prior written approval of ETP. (See also Section 12 in this Agreement.)</p>
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# Paramount Citrus Association

Withdrawn

# M e m o r a n d u m

To: Panel Members Date: January 26, 2007

From: Dolores Kendrick, Manager Analyst: N. Weingart

Subject: One-Step Agreement for FRESENIUS MEDICAL CARE NORTH AMERICA

## CONTRACTOR:

- Training Project Profile: Retraining: Companies W/Out-Of-State Competition  
SET Workers Earning At Least The State Average  
Hourly Wage
- Legislative Priorities: SET Workers In High Unemployment Areas  
Moving To A High Performance Workplace  
Promotion Of California's Manufacturing Workforce
- Type of Industry: Manufacturing Medical Services
- Repeat Contractor: No
- Contractor's Full-Time Employees
  - Worldwide: 47,521
  - In California: 3,165
- ETP Trainees Represented by Union: No
- Name and Local Number of Union Representing ETP Trainees: N/A

## CONTRACT:

- Program Costs: \$542,715
- Substantial Contribution: \$0
- Total ETP Funding: \$542,715
- Total In-kind Contribution: \$2,517,592
  - Trainee Wages Paid During Training: \$990,696
  - Other Contributions: \$1,526,896
- Reimbursement Method: Fixed-Fee
- County(ies) Served: Statewide

## INTRODUCTION

Fresenius Medical Care North America manufactures and distributes kidney dialysis equipment and products, and operates clinics providing kidney dialysis treatment. The manufacturing plant qualifies for standard ETP funding as a company facing out-of-state competition under Title 22 California Code of Regulations (CCR), Section 4416(i)(1). The medical clinics qualify for SET funding under Title 22 CCR, Section 4409 (a) for frontline workers who earn at least the State average hourly wage, and Section 4409(b) for trainees in high unemployment areas. Fresenius proposes to retrain its workforce in the skills necessary to transition to a high performance workplace.

## MEETING ETP GOALS AND OBJECTIVES

Fresenius Medical Care North America proposes training that will further the following ETP goals and objectives:

- 1) Foster retention of high wage, high skilled jobs in manufacturing that are threatened by out-of-state competition.
- 2) Promote training for workers in the healthcare industry.
- 3) Support companies moving to a high performance workplace.
- 4) Support training for workers in areas of high unemployment in California.
- 5) Encourage industry-based investment in human resources development that promotes California industry through productivity and product quality enhancements.

### TRAINING PLAN TABLE

Grp/Trainee Type	Types of Training	No. Retain	No. Class/Lab Videocnf. Hrs.	No. CBT Hrs.	Cost Per Trainee	Hourly Wage After 90 Days
Retrainee Job 1 (Mfg)	MENU: Business Skills Computer Skills Continuous Improvement Manufacturing Skills	27	32-200	0	\$1,620 average	*\$13.51 - \$64.93
Retrainee SET High Wage Job 2 (Clinical)	MENU: Business Skills Literacy Skills	235	73-97	0	\$1,140 average	*\$22.51 - \$42.96
Retrainee SET HUA Job 3 (Clinical)	MENU: Business Skills Literacy Skills	195	73-97	0	\$1,185 average	*\$12.38 - \$42.96

#### Wages After 90-Day Retention

<u>Occupation</u>	
<u>Manufacturing Staff</u> Manager Supervisor Technician Quality Systems Staff Information Systems Staff R&D Staff Engineer Assembler Administration Staff  <u>Clinical Staff</u> Nursing Staff Renal Dietician Equipment Technician Social Services Staff Field Operations Staff Administrative Staff	

TRAINING PLAN TABLE: (continued)

<p><u>Health Benefits Used To Meet ETP Minimum Wage</u></p> <p>* Health benefits of at least \$2.42 per hour for manufacturing staff and \$1.35 per hour for clinical staff may be added to a trainee's wages to meet the standard ETP minimum hourly rate of \$13.51 for Los Angeles, Orange, Alameda, Contra Costa, Marin, San Francisco, San Mateo, Santa Clara, and Santa Cruz Counties; \$13.61 for Sacramento County; \$12.89 for San Diego County; \$13.12 for Ventura County; and \$12.38 for all other counties. These same health benefits may be used to meet the ETP minimum SET frontline high wage hourly rate of \$22.51 statewide.</p>	<p><u>Turnover Rate</u></p> <p>11%</p>	<p><u>% Of Mgrs &amp; Supervisors To Be Trained:</u></p> <p>2%</p>
<p><u>Other Employee Benefits</u></p> <p>Holiday, Vacation, Sick Time, Paid Time Off/Extended Sick Leave, Flexible Reimbursement Accounts, 401k Savings Plan, and Disability Income Plan</p>		

## COMMENTS / ISSUES

### ➤ *Frontline Workers*

Ninety-eight percent of the participants in this project meet the Panel definition of frontline workers under Title 22 CCR, Section 4400(ee). Training at the manufacturing plant will include 9 managers and supervisors, or 2 percent of the total trainee population in this Agreement.

### ➤ *Production During Training*

The proposed Contractor agrees that during ETP-funded training hours, trainees will not produce products or provide services which will ultimately be sold.

### ➤ *High Training Costs*

This Agreement provides training that will potentially be reimbursed at more than twice the ETP average cost per trainee (\$2,492). Five trainees at the manufacturing plant in Walnut are scheduled to receive 200 hours of Six Sigma and facilitator training (200 hours x \$18/hour = \$3,600) to become specialists and lead the plant in its efforts to become a high performance workplace by training the remainder of the workers. These trainees are at the manager level earning from \$24.48 to \$64.93 per hour.

## RECOMMENDATION

Staff recommends that the Panel approve this Agreement if funding is available and the project meets the Panel priorities, based on the company's stated need to develop and manufacture state-of-the-art medical equipment to combat kidney disease, and provide optimum services to those afflicted with disease to improve their quality of life.

## NARRATIVE

Fresenius Medical Care North America provides products and services for individuals with chronic kidney failure, a condition that affects more than 1,400,000 people worldwide according to the company spokesperson. Fresenius' principal business segments are research and development, manufacturing; distributing products and equipment for dialysis treatment; clinical laboratory testing services; and kidney dialysis services. Company roots go back to the 18th century when the Fresenius family took over the Hirsch Pharmacy that was founded in 1462 in Frankfurt, Germany. Fresenius Medical Care began business in North America with 30 employees in Concord, California in 1985 under the name Seratronics, Inc. as a subsidiary of Fresenius AG of Germany.

Today, the manufacturing plants produce and distribute a comprehensive line of dialysis products such as hemodialysis machines, dialyzers, peritoneal dialysis systems, and disposable products. Fresenius also provides in-patient dialysis services, therapeutic apheresis, and hemoperfusion dialysis treatment through its network of approximately 2,085 dialysis clinics in North America, Europe, Latin America, and Asia-Pacific. There are more than 1,500 outpatient

NARRATIVE: (continued)

dialysis clinics in the U.S. alone. Other clinical services include nutritional counseling, social worker support, home training programs, anemia management, and patient travel service.

As Fresenius provides products and services to customers and patients worldwide, it faces global competition from businesses such as Baxter and Gambro, Inc. As competition increases and the number of patients grow each year, Fresenius must remain on the cutting edge by continually striving to develop innovative technologies and high quality products to meet existing and future demands. This goal can be met by continually moving all facets of the business into a high performance workplace. In manufacturing, Fresenius must improve efficiency and increase productivity to drive down the cost of dialysis equipment, and improve technology to develop more highly advanced machines.

As the clinical business continues to grow, Fresenius must standardize and optimize patient care through innovative and efficient programs, new technology, and superior customer service. And, due to the shortage of trained nursing and medical workers, Fresenius must constantly recruit staff and provide much of the training that is not routinely offered in schools. Accordingly, in the spring of 2005, Fresenius introduced eCube, a new information system, it is the first step to a paperless system where manual tasks are replaced by electronic processes. This new computer system will record individual treatment data, analyze treatment quality, have improved audit functions, and expedite billing. The system will also provide data analysis to help optimize individual dialysis treatment.

In order to initiate and utilize new technologies and improve upon current ones, Fresenius wishes to implement the following training:

Manufacturing Skills will include courses in medical design, equipment operation, the production process stream, quality assessment, and supplier management.

Continuous Improvement courses, also for manufacturing staff, will be given in Six Sigma, Lean Manufacturing, facilitator and leadership skills. These courses, together with manufacturing skills, will help workers improve processes and productivity, solve problems, and become in-house trainers.

Computer Skills courses leading to Novell and Microsoft certifications will give the IT (information technology) staff at the manufacturing plant the skills they need to operate and maintain more sophisticated equipment and programs.

Business Skills for both manufacturing and clinical staff will include courses in improved communications, sales & marketing, customer service, and utilization of the eCube system. Training will teach employees to communicate more effectively with patients and other employees. The eCube system will improve overall clinical performance through better patient tracking, reporting, and disease management to improve the quality of life. Several of these courses are part of the company's UltraCare initiative designed to provide employees with the skills they need to generate better outcomes and more satisfied patients.

NARRATIVE: (continued)

Literacy Skills training in Vocational English as a Second Language (VESL) will provide clinical staff, especially nursing staff, with the language skills they need to communicate with patients and co-workers, as well as advance their career into leadership and management roles.

*Commitment to Training*

ETP funding will not displace employer's resources for training.

In the past, Fresenius has provided new hire orientation, manufacturing skills, safety training, leadership, and clinical training when upgrades in dialysis treatment occur. Employees also receive regulatory training and professional development courses. Fresenius offers a variety of computer-based, web-based, and video training courses. Training occurs in the clinics and the manufacturing plants, at company headquarters in Massachusetts, at centralized offsite locations, and at local colleges.

Fresenius is now trying to deliver new and more advanced training to its employees to ensure the best services and products for their patients. ETP funding will allow the company to reach a broader population more quickly and increase the depth of training, thereby improving both manufacturing capabilities and clinical patient care more rapidly to keep up with growing demand.

During the ETP program, the company will train over 1,000 manufacturing and clinical staff at its own expense. After ETP training has ended, Fresenius is committed to provide ongoing training in both business sectors to stay abreast of new medical technology, improve equipment and products, and further enhance patient care techniques.

SUBCONTRACTORS:

Ernst and Young (EY), San Francisco, California will provide administrative services to Fresenius in connection with this proposal. By contractual arrangement between EY and Fresenius, ETP funds will be used to pay for said services in the amount of a maximum of 13 percent of the payment earned.

THIRD PARTY SERVICES:

EY, San Francisco, California assisted Fresenius in developing this proposal for a flat fee in an amount not to exceed \$37,450.

FRESENIUS MEDICAL CARE NORTH AMERICA

MENU CURRICULUM

Class Lab Hours

32 - 200

Trainees may receive any of the following:

BUSINESS SKILLS

- + Business Communications
- + Sales Management
- + Marketing Medical Devices USA
- + Managing Multiple Tasks
- + Audit Reporting
- + Risk Analysis in a Regulated Environment
- + Critical Thinking Skills
- + Customer Service – Telephone Excellence
- + Customer Service Guide Map II
- + Home Therapies
- + Nurse Physician Communication
- + Chairside Systems
- + Clinical Systems
- + Financial Systems

LITERACY SKILLS

Vocational English as a Second Language (VESL)\*

- Job specific words and phrases
- English writing and communication skills
- Equipment operation language
- Two way communication between patient and employees

\* Total VESL training hours cannot exceed 45% of a trainee's job-specific training hours.

CONTINUOUS IMPROVEMENT

- + Six Sigma
- + Six Sigma Green Belt
- + Six Sigma IMPAQ Leader
- + Lean Leader Certification (Six Sigma)
- + Facilitator Training
- + Leadership Training
- + Investment in Excellence

FRESENIUS MEDICAL CARE NORTH AMERICA

MENU CURRICULUM (continued)

MANUFACTURING SKILLS

- + Medical Design & Manufacturing
- + Moderate Wire, Advanced Circuit I & II:
- + Motor Controls
- + QS (Quality System) Inspection Techniques
- + Solidworks
- + Lotus/Domino R6 Administrator Client
- + R&D Kidney Disease Symposium
- + Flow Works Software
- + EMC (Electromagnetic Compatibility) Design: Practical for Engineers
- + Embedded Systems
- + Change Control Processes
- + Quality Assessment
- + Production Process Stream
- + Supplier Management Procedure
- + Electronic Information Security Awareness

COMPUTER SKILLS

- + Novell Certified Software Engineer
- + Microsoft Certified Software Engineer

Comment: The parties agree that the training identified in this Curriculum may be revised from time-to-time during the term of this Agreement at the request of Contractor and with the prior written approval of ETP. (See also Section 12 in this Agreement.)

# M e m o r a n d u m

To: Panel Members

Date: January 26, 2007

From: Dolores Kendrick, Manager

Analyst: M. Pacerelli

Subject: One-Step Agreement for FASHION BUSINESS, INC.

## CONTRACTOR:

- Multiple Employer: Trade Association
- Training Project Profile: SET-Workers Who Are Small Business Owners  
Retraining: Companies W/ Out-Of-State  
Competition
- Legislative Priorities: Promotion of California's Manufacturing Workforce  
Stimulating Exports/Imports  
Displaced/Potentially Displaced Workers  
Moving to A High Performance Workplace
- Type of Industry: Manufacturing
- Repeat Contractor: No
- ETP Trainees Represented by Union: No
- Name and Local Number of Union Representing ETP Trainees: None Of The Core Group Of Employers Is  
Represented By A Collective Bargaining  
Agreement

## CONTRACT:

- Program Costs: \$185,904
- Substantial Contribution: \$0
- Multiple Employer Support (8%) \$12,900
- Total ETP Funding: \$198,804
- Total In-kind Contribution: \$186,712
  - *Trainee Wages Paid During Training:* \$186,712
  - *Other Contributions:* \$0
- Reimbursement Method: Fixed-Fee
- County(ies) Served: Statewide
- Location of Training: 100% Center Based; 0% Employer Site

### INTRODUCTION:

Fashion Business, Inc. (FBI) is a non-profit organization providing the apparel and textile industries with the resources and training to support its growth and profitability. FBI is eligible to contract with ETP as an employer association under Title 22 California Code of Regulations (CCR), Section 4400(j)(3).

The participating employers qualify as meeting the out-of-state competition criteria as manufacturers. FBI is requesting ETP funds to assist employers in the apparel and textile industries in upgrading the skills of their manufacturing workforce to meet today's increased demand for excellence and quality products.

FBI is also requesting ETP funds to train and place 30 small business owners under the Special Employment Training (SET) Entrepreneurial program. Small business owners qualify for ETP funding under Title 22 CCR, Section 4409(c). The owner's business must have at least one, but less than 10 full-time employees.

### MEETING ETP GOALS AND OBJECTIVES:

FBI proposes training that will further the following ETP goals and objectives:

- 1) Meet the need for a skilled workforce in a priority industry.
- 2) Target workers who are subject to displacement because of changes in technology or significantly increasing levels of international and out-of-state competition.
- 3) Promote California's manufacturing workforce.
- 4) The proposed entrepreneurial program will provide small business owners with competitive business management skills needed to successfully manage and grow a small business to a higher level of financial success.

**TRAINING PLAN TABLE:**

Grp/Trainee Type	Types Of Training	No. Retain	No. Class/Lab Videocnf. Hrs.	No. CBT Hrs.	Cost Per Trainee	Hourly Wage After 90 Days
Job Number 1 Retrainee Priority Industry	MENU: Business Skills Computer Skills	84	24 - 160	0	\$1,771	*\$12.89 - \$22.00
Job Number 2 Small Business Owners Priority Industry	MENU: Business Skills Computer Skills	30	8 - 60	0	\$1,668	N/A
Wages After 90-Day Retention						
<u>Occupation</u>						
Customer Service Representative Shipping & Warehouse Worker Costing Staff Invoice & Purchase Order Personnel Order Entry Staff Production & Inventory Control Staff Importing & Distribution Staff Sales Staff Order Processor						
<u>Health Benefits Used To Meet ETP Minimum Wage:</u> *Health Benefits may be added to the base wages of the various participating employers to meet the ETP minimum hourly wage requirement of \$13.51 for Los Angeles, Orange and San Francisco Counties; and \$12.89 for San Diego County.					<u>Turnover Rate</u> 20%	<u>% Of Mgrs &amp; Supervisors To Be Trained:</u> 20%
<u>Other Employee Benefits:</u> Other employee benefits vary among participating employers.						

### COMMENTS / ISSUES:

➤ *Frontline Workers*

FBI will provide training primarily to serve workers who meet the Panel definition of frontline workers under Title 22 CCR, Section 4400(ee). No more than twenty percent of participating employers' ETP trainees will be managers or supervisors.

➤ *Production During Training*

The proposed Contractor agrees that during ETP-funded training hours, trainees will not produce products or provide services which will ultimately be sold.

➤ *Garment Industry*

FBI will ensure that each participating employer possesses a garment certificate from the Department of Labor Standards Enforcement and that none of these employers have any reported labor violations prior to the start of training. ETP verified that the core group of employers in this proposal met these requirements.

➤ *Center-Based Training*

Training is primarily center-based and will be conducted at FBI's 5,000 square foot training center in the New Mart Building in the heart of the Los Angeles' fashion district. Some training will also be conducted at satellite locations in San Francisco, Orange and San Diego Counties.

According to FBI representatives, the center-based programs enable access to training for very small employers and larger employers who need to train only a handful of employees. It also allows access to training for participating employers who lack training facilities and/or equipment, and often lack the staff qualified to handle the technical support and other training aids to support training. To meet ETP's customization requirement, the center-based training will be limited to workers from the apparel and textile industries and is customized through use of employer assessments and trainee feedback.

### RECOMMENDATION:

Staff recommends that the Panel approve this Agreement based on the needs of California apparel and textile industry manufacturers for specialized, job-specific skills training for their employees. A common trend in this industry is to export processes to other countries with lower wage workers. This threatens California workers in retaining their jobs if they do not develop the skills that are technologically aligned with software being incorporated into standard production processes in this industry.

### NARRATIVE:

Founded in 1999, FBI started out as a business incubator. Since its founding, it has developed into a full educational non-profit organization.

FBI currently has a membership base of 200 apparel manufacturing-related companies. Its mission is to serve the small and medium-sized manufacturers and distribution companies that face out-of-state competition.

#### *Employer Demand*

Panel policy requires multiple employer contractors provide evidence of employer demand for training.

There has been a significant demand for training from FBI's current membership. According to the California Fashion Association, apparel manufacturing is the largest manufacturing sector for the City of Los Angeles and the second largest overall for California generating \$24.3 billion in sales annually for the state. Approximately 250,000 people work in direct/indirect jobs relative to this industry and most will face difficulty in retaining their jobs if they do not develop the skills that are technologically aligned with software being incorporated into standard production processes.

According to FBI, companies in the apparel and textile industry are now reorganizing their operations including investing in software to make products at a faster rate at the lowest possible cost. By developing the skills of their employees and adding automated processes, companies can reach industry competitiveness. The proposed training will allow individuals who successfully complete the program to increase their potential of retaining their jobs and assist many apparel and textile companies to remain in California as a result of increased productivity and more efficient processes from workers with more skills.

The proposed curriculum was developed based on the FBI members' pre-training assessments and surveys; and information obtained from industry representatives. The goal of the FBI, through training and support services, is to assist and insure that local companies remain viable and remain in this region instead of moving various parts of their operation overseas. In this proposal, FBI has customized two training programs. The first group will consist of frontline workers who will receive training ranging from 24 to 160 hours of class/lab training. These trainees will receive computer skills training which will teach them how to set-up and program computer software specifically for the textile and apparel industry; and business skills which will enhance customer service, sales and marketing skills. The second group will consists of small business owners who will receive training in computer and business skills needed to operate a successful business and enhance their competitive positions in the industry. The curriculum has been designed specifically for small business owners to allow them to improve their business operations through computer usage and understanding of the financial aspect of the business.

#### *Commitment to Training*

The employers participating in this proposed training have certified that the ETP-funded training will not displace employer resources for training. Employers in the apparel industry typically provide no formal training for their employees, particularly those companies with fewer than 100 employees. Most small employers do not have the financial resources to establish an in-house

NARRATIVE: (continued)

training program. Training is generally limited to informal on-the-job training, safety training, and new-hire orientation.

The proposed training will provide comprehensive, specialized training in business skills and the use of computerized system specific to the apparel industry. By improving their skills, workers become more valuable to their employers, thus increasing the likelihood of remaining long-term employees.

SUBCONTRACTORS:

Community Research & Associates (CRA), Whittier, California, will provide administrative services for an amount not to exceed \$3,500.

THIRD PARTY SERVICES:

CRA provided assistance in the development of the ETP application for a total cost of \$3,500 based on hourly rate.

*FASHION BUSINESS, INC.*

MENU CURRICULUM

Job Number 1

Class/Lab Hours  
24 - 160

Trainees will receive any of the following:

BUSINESS SKILLS

Customer Service  
Sales & Marketing  
Supply Chain Management  
Logistics  
Manufacturing Apparel Boot Camp

COMPUTER SKILLS

Website Design and Development  
Web-Based Sales (Online Creative, Virtual Showroom)  
EDI (Electronic Data Interchange)/RFID (Radio Frequency Identification)  
Apparel Information Management System (AIMS)  
Gerber Technology Systems  
PAD (Patternmaking and Design) Systems  
Adobe Photoshop  
Adobe Illustrator

*FASHION BUSINESS, INC.*

MENU CURRICULUM

Job Number 2

Class/Lab Hours  
8 - 60

Trainees will receive any of the following:

BUSINESS SKILLS

Business Development  
Contracts  
Production & Financing  
Sales & Marketing  
Market Analysis/Financial Projections  
Supply Chain Management  
International Trade

COMPUTER SKILLS

Website Design and Development  
Web-Based Sales (Online Creative, Virtual Showroom)  
EDI (Electronic Data Interchange)/RFID (Radio Frequency Identification)  
Apparel Information Management System (AIMS)  
Gerber Technology Systems  
PAD (Patternmaking and Design) Systems

<p><u>Comment:</u> The parties agree that the training identified in this Curriculum may be revised from time-to-time during the term of this Agreement at the request of Contractor and with the prior written approval of ETP. (See also Section 12 in this Agreement.)</p>
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Participating Employers in Retrainee  
Multiple Employer Contractor (MEC) Agreements  
(ETP 100B)

Contractor's Name: Fashion Business, Inc.

CCG No.: ET07-0269

Reference No: 06-0282

Page 1 of 2

PRINT OR TYPE

Company: Cotton Generation, Inc.

Address: 6051 Maywood Avenue

City, State, Zip: Huntington Park, CA 90255-3211

Contact Person/Title: Masoud Parvin, President

Telephone No.: 323. 581.8555

Collective Bargaining Agreement(s): No

Total # of full-time company employees worldwide: 80

Total # of full-time company employees in California: 80

Estimated # of employees to be retrained or hired under this Agreement: 8

Company: Evans Group

Address: 255 Santa Fe, Ste 101

City, State, Zip: Los Angeles, CA 90012

Contact Person/Title: Jennifer Evans, Owner

Telephone No.: 213.626.4377

Collective Bargaining Agreement(s): No

Total # of full-time company employees worldwide: 25

Total # of full-time company employees in California: 25

Estimated # of employees to be retrained or hired under this Agreement: 20

Company: Frankie B

Address: 850 S. Broadway, Suite 504

City, State, Zip: Los Angeles, CA 90014

Contact Person/Title: Richard Freund, General Manager

Telephone No.: 213.624.5411

Collective Bargaining Agreement(s): No

Total # of full-time company employees worldwide: 28

Total # of full-time company employees in California: 28

Estimated # of employees to be retrained or hired under this Agreement: 5

Participating Employers in Retrainee  
Multiple Employer Contractor (MEC) Agreements  
(ETP 100B)

Contractor's Name: Fashion Business Inc

CCG No.: ET07-0269

Reference No: 06-0282

Page 2 of 2

PRINT OR TYPE

Company: H & S Elna International

Address: 2431 S. Santa Fe Avenue

City, State, Zip: Los Angeles, CA 90058

Contact Person/Title: Mathew Hekmacmiaz, Owner

Telephone No.: 323.277.0500

Collective Bargaining Agreement(s): No

Total # of full-time company employees worldwide: 11

Total # of full-time company employees in California: 11

Estimated # of employees to be retrained or hired under this Agreement: 4

Company: The Original Cult

Address: 130 South Anderson

City, State, Zip: Los Angeles, CA 90033

Contact Person/Title: Drew Bearstein, CEO/President

Telephone No.: 323.260.7308 ex 209

Collective Bargaining Agreement(s): No

Total # of full-time company employees worldwide: 50

Total # of full-time company employees in California: 50

Estimated # of employees to be retrained or hired under this Agreement: 4

Company:

Address:

City, State, Zip:

Contact Person/Title:

Telephone No.:

Collective Bargaining Agreement(s):

Total # of full-time company employees worldwide:

Total # of full-time company employees in California:

Estimated # of employees to be retrained or hired under this Agreement:

# M e m o r a n d u m

To: Panel Members

Date: January 26, 2007

From: Dolores Kendrick, Manager

Analyst: V. Salazar

Subject: Proposed Amendment No. 1

## CONTRACTOR:

- Contractor's Legal Name Sturdi-Quick Prefabricated Structures
- Multiple Employer: Employer Consortium
- Type of Industry: Construction
- Nature of Business: Steel Framing Construction
- ETP Trainees Represented by Union: No
- Name and Local Number of Union  
Representing ETP Trainees: N/A

## CONTRACT:

- Training Project Profile: Job Creation: Training Of Unemployed Workers SET  
Workers With Multiple Barriers To Employment
- Program Costs:
  - Present Program Costs: \$200,762
  - Amendment Program Costs : \$271,300
  - Total Program Costs: \$472,062

## INTRODUCTION / NARRATIVE:

Sturdi-Quick Prefabricated Structures (Sturdi-Quick) is a general steel construction company that heads an employer consortium to train and place workers in the steel framing construction industry. The company is eligible to contract with ETP as the lead contractor. (See Title 22 CCR, Section 4400(j)).

Sturdi-Quick is requesting an additional \$271,300 to add Phase II for 50 additional trainees (40 SET/Multiple Barriers in Job Number 3 and 10 CalWORKS recipients in Job Number 4). The Contractor still has 17 months to complete all training and the 90-day retention period, given that the ETP Agreement term runs through August 7, 2008.

There are currently 37 new-hire trainees, all of whom have completed training. Of this group, the first class of trainees are poised to complete retention (14 have been placed with a participating employer and 2 are scheduled to start work at the end of January). The second class finished training on December 22 and are now being placed. Many of these participating employers were unavailable during the holiday period, which slowed down the placement process, but Sturdi-Quick anticipates that the majority of these trainees will be placed by the end of January.

In requesting Phase II funding, Sturdi-Quick states there is a continuing demand for employees with the skills learned under this Curriculum. The Contractor will continue to use the same recruitment plan.

**PROPOSED TRAINING TABLE:**

Grp/Trainee Type	Types Of Training	No. Retain	No. Class/Lab Videocnf. Hrs.	No. CBT Hrs.	Cost Per Trainee	Hourly Wage After 90 Days
Phase II Job Number 3 SET - Barriers	Commercial Skills	40	150 - 300	0	\$5,426	*\$11.50 - \$14.00
Phase II Job Number 4 W2W	Commercial Skills	10	175 - 300	0	\$5,426	*\$9.50 - \$14.00
Wages After 90-Day Retention						
<u>Occupations</u>						
Construction Worker (W2W) Construction Worker (SET/Barriers)						
<u>Health Benefits Used To Meet ETP Minimum Wage:</u>  *The ETP minimum hourly rate is \$10.75 for Los Angeles, Orange, Alameda, Contra Costa, Marin, San Francisco, San Mateo, and Santa Clara Counties. However, the participating employers will pay post-retention wages of at least \$11.50 per hour for Job 1 trainees.  The reduced minimum wage for Job Number 2 and Job Number 4 trainees is consistent with the Panel's W2W pilot program guidelines.  Health benefits may be added to the trainees wages to meet the ETP minimum wage for Job Numbers 1, 2, 3, 4.					<u>% Of Mgrs &amp; Supervisors To Be Trained:</u>  0%	
<u>Other Employee Benefits:</u>  Other employee benefits vary by participating employer						

**RECOMMENDATION:**

Staff recommends approval of this Amendment proposal based on the Contractor's successful performance to date. Staff notes that Phase II will include CalWORKS recipients, representing 20 percent of the trainee population. Otherwise, this additional phase of training is almost identical to that of the current ETP Agreement.

By this Amendment, training will be made available to an additional 50 unemployed workers in a hard-to-serve population, giving them opportunity to gain skills that will lead to secure employment. This proposal would train workers in construction, an industry that is a funding priority under the Panel's Strategic Plan. In addition, this proposal would prevent construction industry employers from hiring out-of-state workers, in favor of qualified California trainees with a nationally-recognized certificate.

**CURRENT TRAINING PHASE:**

CURRENT TRAINING PHASE				
Term	Planned Number To Be Retained	Number Enrolled	Number Completed Training	Number Retained For 90 Days
08/08/2006 – 08/07/08	37	44	37	0

*ET07-0131 – Sturdi-Quick representatives report that 37 trainees have completed training and that 13 have been placed thus far and in their retention period.*

# M e m o r a n d u m

To: Panel Members Date: January 26, 2007

From: Creighton Chan, Manager Analyst: A. Nastari

Subject: One-Step Agreement for BAY AREA VIDEO COALITION

## CONTRACTOR:

- Multiple Employer: Training Agency
- Training Project Profile: Retraining: Companies W/Out-Of-State Competition
- Legislative Priorities: Stimulating Exports/Imports
- Type of Industry: Various Industries
- Repeat Contractor: Yes
- ETP Trainees Represented by Union: No
- Name and Local Number of Union Representing ETP Trainees: N/A

## CONTRACT:

- Program Costs: \$1,500,080
- Substantial Contribution: \$0
- Multiple Employer Support (8%) \$103,807
- Total ETP Funding: \$1,603,887
- Total In-kind Contribution: \$1,549,440
  - *Trainee Wages Paid During Training:* \$1,249,440
  - *Other Contributions:* \$300,000
- Reimbursement Method: Fixed-Fee
- County(ies) Served: Statewide
- Location of Training: 85% Center Based; 15% Employer Site

## INTRODUCTION:

This will be the fifth ETP-funded project with Bay Area Video Coalition (BAVC), a private, non-profit training center which provides high-end technology skills in video, web, and multimedia production. Founded in San Francisco in 1976 by the Rockefeller Foundation, BAVC is eligible to contract with the Employment Training Panel under Unemployment Insurance Code Section 10205(c)(2), and Title 22, California Code of Regulations (CCR), Section 4426(a)(6) as a training agency approved and certified by the Bureau for Private Postsecondary and Vocational Education. BAVC's headquarters and all of its classrooms are located in San Francisco; however, BAVC will also provide training at the worksites of larger participating employers who have adequate training facilities equipped with the necessary hardware and software.

BAVC will provide retraining for companies facing out-of-state competition and representing diverse industries including services, arts and entertainment, multi-media, software development, manufacturing, and wholesale. These employers will be eligible for Employment Training Panel funding under Title 22, CCR, Sections 4416(a)(3) and (4) as a company facing out-of-state competition because it provides a service out-of-state; and/or it provides a service in the state in competition with providers of the same service which are located outside the state. BAVC proposes to retrain 1,012 incumbent workers from eligible participating employers primarily located in the San Francisco Bay Area.

## MEETING ETP GOALS AND OBJECTIVES:

BAVC proposes training that will further the following ETP goals and objectives:

- 1) Supports training of primarily small businesses.
- 2) Supports the growth of the California economy by stimulating exports from the state and the production of goods and services that would otherwise be imported from outside the state.
- 3) Fosters job retention in industries that face strong competition from other companies outside of California and the country.
- 4) Fosters job retention of high-wage, high-skilled jobs.

TRAINING PLAN TABLE:

Grp/Trainee Type	Types Of Training	No. Retain	No. Class/Lab Videocnf. Hrs.	No. CBT Hrs.	Cost Per Trainee	Hourly Wage After 90 Days
Retrainees Job Number 1	Advanced Technology	105	40	0	\$941	*13.51 - \$85.00
Retrainees Job Number 2	Advanced Technology	209	48	0	\$1,129	*13.51 - \$85.00
Retrainees Job Number 3	Advanced Technology	54	64	0	\$1,505	*13.51 - \$85.00
Retrainees Job Number 4	Advanced Technology	71	80	0	\$1,882	*13.51 - \$85.00
Retrainees Job Number 5	Advanced Technology	64	120	0	\$2,823	*13.51 - \$85.00
Retrainees Job Number 6	Priority Industries Advanced Technology	107	40	0	\$1,112	*13.51 - \$85.00
Retrainees Job Number 7	Priority Industries Advanced Technology	210	48	0	\$1,334	*13.51 - \$85.00
Retrainees Job Number 8	Priority Industries Advanced Technology	56	64	0	\$1,779	*13.51 - \$85.00
Retrainees Job Number 9	Priority Industries Advanced Technology	71	80	0	\$2,224	*13.51 - \$85.00
Retrainees Job Number 10	Priority Industries Advanced Technology	65	120	0	\$3,337	*13.51 - \$85.00

Wages After 90-Day Retention		
<u>Occupation</u>		
3D Artist Animator Art Director Avid Engineer Camera Assistant Camera Operator Communications Manager Computer Programmer Database/Network Administrator Desktop Publisher Digital Lab Technician Digital Project Manager Director of Operations Editor Editor Assistant Game Designer Graphic Artist Graphic Designer Information Technologist Internet Operations Staff Media Manager Media Producer Motion Capture Technician Production Assistant Quality Control Staff Software Engineer Sound Engineer Sound Editor Tape Operator Video Preservation Technician		
<u>Health Benefits Used To Meet ETP Minimum Wage:</u> *Health benefits in the amount of \$.52 to \$2.67 may be used to meet the ETP minimum wage of \$13.51 for the San Francisco Bay Area Counties.	<u>Turnover Rate</u> 20% or less	<u>% Of Mgrs &amp; Supervisors To Be Trained:</u> 5% or less
<u>Other Employee Benefits:</u> Will vary by employer.		

## COMMENTS / ISSUES:

### ➤ *Frontline Workers*

Participants in this project meet the Panel definition of frontline workers under Title 22 CCR, Section 4400(ee). No more than 5 percent of the total number of trainees trained and retained in employment will be managers/supervisors.

### ➤ *Production During Training*

The proposed Contractor agrees that during ETP-funded training hours, trainees will not produce products or provide services which will ultimately be sold.

### ➤ *Location of Training*

Training is primarily center-based and conducted at BAVC's 11,000 square-foot facility in San Francisco which includes five computer labs where trainees can learn all aspects of digital video, web, audio, 3D, and multimedia production. Thirty-five full-time, on-site employees support BAVC's facility and provide instruction in video production, video editing, video graphics, web design, web middleware and web streaming technologies. This project thus provides access to training for employers who cannot take equipment and staff out of production to utilize for training purposes; and for small businesses which often lack adequate training facilities, equipment, and in-house trainers with the necessary expertise.

BAVC provides a central location where digital technology workers from a large group of small and mid-sized companies can come together for training customized to their needs, and where professional networking and creative development can flourish. BAVC is a certified AVID Training Center and Apple Media Technology Center (Note: According to the Contractor, AVID is an industry standard video editing software and hardware used at most TV stations and various video production facilities). As a result of its facilities and instructor expertise, BAVC is well known in the employer community as the place to learn the latest software applications. The school's relationships with leading multi-media and software development firms allow it to provide companies with training in cutting-edge technology before it even hits the market.

### ➤ *Advanced Technology (AT) Reimbursement Rate*

BAVC requests the AT reimbursement rate of \$26 per hour for priority industries and \$22 for non-priority industries for all trainees in this proposal. The proposed training is designed exclusively for highly technical professionals, such as 3D Artists, Animators, Camera Operators, Digital Lab Technicians, Game Designers, Graphic Artists, Media Producers, Software Engineers and Video Preservation Technicians who work in the digital media technology industries. Trainees will receive 24 – 200 hours of AT training in video production, technical courses in new media production and programming, as well as Photoshop, Flash and AVID software programs. With the newly acquired skills and knowledge, the employees can develop, create, and maintain program systems in the latest technologies, thereby increasing the competitiveness of their employers. Due to the complex nature of the material, training must be given in small classes with 10 trainees or less.

### RECOMMENDATION:

Staff recommends that the Panel approve this project because it will support the growth of businesses that will benefit from the advanced technology training provided by BAVC in digital and media technologies. The training will foster the retention of high-wage, high skilled jobs. It will allow businesses across various industries to expand their services allowing them to remain competitive and keep the business in California.

### NARRATIVE:

BAVC will provide 40-120 Advanced Technology (AT) classroom/laboratory training hours to 1,012 eligible retrainees. The menu curriculum covers 3D modeling and design software, graphic design software, web programming, internet security, relational database modeling, and all aspects of video digital pre-production and post-production, including skills ranging from video broadcast and editing to web design and animation. BAVC houses the most advanced and high-end editing systems in the video production industry. BAVC also provides training on the latest in graphics software, including Photoshop, Illustrator, After Effects and Premiere, and on Avid's nonlinear editing Media Composer system, the standard for film and video editing. Training in Discreet software for digital image creation, manipulation and editing is now available as well as Macromedia technology software applications including Flash, Fireworks, Dreamweaver, and Director, all of which enable trainees to create successful web sites.

#### *Employer Demand*

Employer demand for BAVC training has continued throughout its current contract, which has served 166 employers to date. The proposed Contractor reports that it anticipates 85-100 additional employers are looking to BAVC to train their employees under the newly proposed ETP Agreement. Training in multimedia is expected to continue to be in high demand as the Internet, electronic games, and animated features successfully generate employer demand for these skills.

To meet customization requirements, BAVA constantly assesses its curriculum and customizes it to individual employers and the media industry by incorporating new coursework. In addition, all trainees at BAVC are surveyed after each training course to assess the relevance of the curriculum, their future training needs, and their satisfaction with the training. The results of the surveys are reviewed on a weekly basis to complement ongoing data gathering on company training needs and to enhance curriculum and course offerings accordingly.

BAVC continues its plans to increase its investment in its marketing activities under this new Agreement. In the last agreement BAVC hired a fulltime Business Alliances Manager, dedicated to new ETP employer and employee recruitment. The manager expanded web marketing for ETP, attend conventions, trade shows and user group meetings, and oversees new client orientations. The Business Alliances Manager also tracks retention and promotion of ETP trainees, and works directly with employers to further customize training and develop new courses as needed.

Additionally, BAVC recently promoted its Education Department Administrator into an Outreach and Recruitment Coordinator position. The individual will be handling additional ETP participating employer outreach for the new Agreement.

NARRATIVE: (Continued)

*Commitment to Training*

The company representatives report that no employer resources are displaced by ETP funding through the proposed Agreement. In the digital media field there are scarce employer resources for training; only the largest companies can afford to provide any kind of workplace-based training for employees. Small and mid-sized companies often are not able to provide the advanced training needed to remain competitive and on the cutting edge of technology. Essential software platforms for digital media and IT are developed and introduced at a rapid rate, often every year. The ETP funding allows employers to benefit from the state-of-the-art certified training that BAVC offers which they normally would not be able to afford to provide to keep their companies competitive.

Some of BAVC's participating employers commit to training through in-house training programs. For example, Pixar runs Pixar University, which provides workshops for employees during the lunch hour. In many ways, programs like these supplement the high-level certified training provided through ETP at BAVC, and provides a framework for employees who have received ETP training to continue mentorship at work. There are other employers that have also invested in training by allowing their staff to train during work hours, and request customized classes through BAVC that are specific to their company and sector.

BAVC's representatives further report that the ETP program has been a model in Northern California, a crucial pipeline for small and mid-sized companies across sectors (particularly high-wage, high-growth) in order to stay current and provide state-of-the-art technology within the workplace. BAVC reports that companies who have received training have experienced the impact of the new tools, skills, and software platforms. Companies have re-framed their business models to include ongoing mentorship and training within their companies. The participating employers have seen the impact not only of the training itself on their business, but of their higher-performing workforce now able to meet the challenges of the new technology.

SUBCONTRACTORS:

None

THIRD PARTY SERVICES:

None

### PRIOR PROJECTS:

The following are completed project statistics for ETP Agreements with this Contractor within the last five years:

PRIOR PROJECTS						
Agreement Number	Location (City)	Term	Contract Amount	Amount Earned	Planned In-kind Contribution	Reported In-kind Contribution
ET03-0379	San Francisco	06/30/03 – 06/29/05	\$1,001,076	\$873,708	\$525,525	
ET02-0323	San Francisco	06/03/02 – 06/02/04	\$1,197,905	\$689,760*	N/A	N/A

\* ET02-0323: BAVC earned 58% of the Agreement amount on its second ETP contract; however, it served more employers and trained more workers under its second Agreement. The Contractor reports that performance under this project was less than expected due to two factors: the need for some employers to relax training schedules during volatile economic times, and the decrease in participating employers since the end of the preceding contract. BAVC is continuing to address its performance issues by building a larger ETP-eligible participating employer base.

### ACTIVE PROJECTS:

The following are current project statistics:

ACTIVE PROJECTS						
Agreement Number	Agreement Amount	Term	Planned Number To Be Retained	Number Enrolled	Number Completed Training	Number Retained For 90 Days
ET05-0267	\$1,301,577	04/01/05 – 03/31/07	879	789	755	372

BAVC's representatives report that it expects to achieve a 98 percent completion for this agreement.

Bay Area Video Coalition

CURRICULUM

Advanced Technology Menu Curriculum

Class/Lab Hours  
40-120

Trainees will receive any of the following:

Video Production

Basic Video Production  
Digital Camera Basics  
Shooting Techniques I  
Shooting Techniques II: Beta SP  
Shooting Techniques II: DV  
Shooting Techniques II: Electronic Field Production  
Video Production Hints and Tips  
Pro Video: Beta SP  
Pro Video: Digital  
Video Production Hints and Tips  
Video Production II  
Video Installation and Performance  
Lighting  
Lighting for Interviews  
Interviewing Techniques  
Video Technology  
Video Engineering I  
Video Engineering II  
Video Engineering III  
Tape-to-Tape Color Correction  
Tape-to-Tape Film Transfer

Video Post Production

Introduction to Nonlinear Editing  
Nonlinear Editing Master Class  
Video Technology  
Designing a Demo Reel  
How to Build a Desktop Video Editing System  
Postproduction Fundamentals I  
Postproduction Fundamentals II  
Premiere  
Aesthetics of Editing  
Introduction to Digital Editing  
Troubleshooting for Producers and Editors  
Final Cut Pro 101 – Final Cut Pro Editing  
Final Cut Pro 101 Extended  
Final Cut Pro 120 – Final Cut Pro Editing for the Experienced Editor  
Final Cut Pro 201 – Advanced Editing Techniques in

Bay Area Video Coalition

CURRICULUM

Advanced Technology Menu Curriculum (continued)

Class/Lab Hours  
40-120

Trainees will receive any of the following:

Video Post Production

Final Cut Pro 210 – Effects in Final Cut Pro  
Final Cut Pro 250 – Final Cut Pro Editing for Avid Editors  
Final Cut Pro 302  
Final Cut Pro 303  
Final Cut Pro 310 – Color Corrections and Finishing in Film Logic  
110 – Film Logic and Final Cut Pro  
DVD Studio Pro – DVD Studio Pro Overview  
DVD Studio Pro 101 – Creating DVDs  
AVID 101- Media Composer Editing  
Avid 101 Extended  
Avid 110: Introduction to Media Composer Effects  
Avid 117: Introduction to Avid Xpress for Macintosh and Windows NT  
Avid Beginning Bootcamp  
Avid 119: Avid Express DV Editing  
Avid 129: Introduction to Avid Xpress DV Effects  
Avid 201: Advanced Techniques for Media Composer  
Avid 205: Avid Media Composer Troubleshooting  
Avid 210  
Avid 239  
Avid 305: Advanced Media Composer Effects  
Avid 310: Creating Graphics and Mattes with Avid Media  
Avid 329: Creating Graphics for Avid Xpress DV with Adobe  
Photoshop  
Avid Assistant Editing  
Avid Master Editing Class: The Art of Documentary  
Avid Intensive Project  
Video Engineering I  
Video Engineering II  
Composer and Adobe Photoshop  
Adobe Premiere Pro  
Adobe Encore

Digital Audio

Pro Tools 101  
Pro Tools 110  
Pro Tools 201  
Pro Tools 210  
Boris Red  
Production Sound Techniques  
Digital Music Composition

Bay Area Video Coalition

CURRICULUM

Advanced Technology Menu Curriculum (continued)

Class/Lab Hours  
40-120

Trainees will receive any of the following:

Art of Sound Design  
Multichannel Audio  
Logic  
Advanced Audio Editing  
Reason  
MAX/MSP/Jitter  
Ableton Live  
Professional Voiceover Recording  
Two-Day Sound Recording Workshop

Graphic Design

Interaction Design Theory  
Interaction Design Theory and Practice  
InDesign I  
InDesign II  
Photoshop I  
Photoshop II  
Photoshop III  
Photoshop for Nonlinear Editors  
Photoshop for the Artist  
Photoshop for Web Designers  
Photoshop Bootcamp  
Illustrator I  
Illustrator II  
Quark Xpress I  
Quark Xpress II  
Quark to InDesign  
Visual Design 101

Motion Graphics and Effects

Motion I  
Motion II  
Motion III  
After Effects I  
After Effects II  
After Effects III: Production Bundle  
After Effects III: 3D and Scripting  
After Effects IV  
After Effects Beginner Bootcamp  
After Effects Advanced Bootcamp

Bay Area Video Coalition

CURRICULUM

Advanced Technology Menu Curriculum (continued)

Class/Lab Hours  
40-120

Trainees will receive any of the following:

Motion Graphics and Effects

Shake

Commotion 101 – Introduction to Commotion

Special Effects and Discreet Combustion

Maya I

Maya II

Softimage XSI Transition Animator

Graphical User Interface Design

Careers in Computer Gaming

Web Design

Introduction to Web Design Applications

HTML I

HTML II

Dreamweaver I

Dreamweaver II

Director

Flash I

Flash II

Flash III

Flash IV

Flash Animation

Flash for Games

JavaScript I

JavaScript II

Introduction to Active Server Pages (ASP)

Introduction to Databases and the Structured Query Language (SQL)

Introduction to Database Applications

UNIX 101: An Introduction to UNIX

Applescript

Web Video I

Web Video II

Web Audio

Character Animation with Flash

Web Design Bootcamp

Programming

.NET Remoting

Introduction to the .Net Framework

Introduction to Internet Security

Introduction to Object-Oriented Programming with C#

Introduction to XML

Bay Area Video Coalition

CURRICULUM

Advanced Technology Menu Curriculum (continued)

Class/Lab Hours  
40-120

Trainees will receive any of the following:

Programming

Web Services I

Web Services II

Introduction to Relational Databases and Relational Database Modeling

Database Programming with SQL I

Database Programming with SQL II

Web Programming with ASP.NET I

Web Programming with ASP.NET II

Web Programming with ASP.NET III

3D Modeling and Design

Introduction to Maya

Maya 1

Maya 2

Maya 3

Maya 4

Game Design

Texturing for Games

Modeling for Games

Environments for Games

Game history and Theory

3ds max Fundamentals

3ds Max Advanced

3ds Max Character Animation

modo software

Macromedia Director

Advanced Seminars for Professional Producers

Art of the Crossover Documentary

Audio For Video: Designing and Planning Your Digital Soundtrack

Demo Reels 101: A 3-class Intensive

Digital Post-Production

Digital Pre-Production

Essentials of Screenwriting

Exhibition Strategies for New Media Projects

HD And Me: Introduction to High-Definition Technology for

Mediamakers

Interactive Video Techniques for Installation and Performance

Mastering Your DVD: A Workshop for Filmmakers

Narrative Filmmaking with New Technologies

Bay Area Video Coalition

CURRICULUM

Advanced Technology Menu Curriculum (continued)

Class/Lab Hours

40-120

Trainees will receive any of the following:

Advanced Seminars for Professional Producers

On Location: Guerrilla Filmmaking 101

Producing Your Documentary

Short-Format Screenplay

Streaming Your Media: Web Applications for Videomakers

Trailer Tips 101

Video Art Since 1965

Planning and Managing a Professional Video Project

Aesthetics of Editing

Careers in Editing

Documentary Activism: Using Social Issue Media in Communities

Digital Camera Basics

Creative Fundraising in the Digital World

Macintosh OX for Media Producers

Investing Mass Media Strategies

Distributing Outside the Box

Getting Documentaries Off of the Shelves and Into the Streets

The History of Documentary: 1890-1970

The History of Documentary: 1970-Present

Planning and Managing a Video Project

Producing Your Documentary

Motion Capture

Animation and Motion Theory

Introduction to Motion Capture

Motionbuilder I

Motionbuilder II

Motionbuilder III

Motionbuilder III: Advanced Projects

Radio Technology

Radio Operations I

Radio Operations II

Podcasting, Satellite and Internet Radio

Radio Documentary Production

Bay Area Video Coalition

CURRICULUM

Advanced Technology Menu Curriculum (continued)

Class/Lab Hours  
40-120

Trainees will receive any of the following:

Technical Seminars in Preservation

Preservation 101S: Video Preservation and Restoration  
Preservation 201S: News Media Archiving  
Preservation 210S: Moving Image Cataloging and Access  
Preservation 301S: Curating, Programming & Repurposing Moving Image Material

Technical Courses in Preservation

Preservation 101P: Video Restoration  
Preservation 201P: Handling New Media  
Preservation 210P: Digital Preservation and Restoration  
Preservation 301P: Advanced Projects in Preservation

Advanced Video Game Art and Design

Introduction to Game Studies  
Concept Art for Games  
Storyboarding for Games  
Particle Effects and Lighting  
Advanced Concepts in Game Design  
Advanced Mentored Projects  
3 Week 3D Skills Intensive

Advanced Web Applications

Fireworks Fundamentals  
Flash for Online Streaming  
Blogging and Podcasting Intensive  
Video Blogging 101  
Podcasting 101

New Media Production and Programming

Introduction to Mobile Media  
Mobile Media Production  
Ruby on Rails  
Digital Fusion  
Design and Production for Multi-User Communities

<p><u>Comment:</u> The parties agree that the training identified in this Curriculum may be revised from time-to-time during the term of this Agreement at the request of Contractor and with the prior written approval of ETP. (See also Section 12 in this Agreement.)</p>
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Participating Employers in Retrainee  
Multiple Employer Contractor (MEC) Agreements  
(ETP 100B)

Contractor's Name: Bay Area Video Coalition (BAVC)

CCG No.: ET07-0291

Reference No: 07-0282

Page 1 of 27

PRINT OR TYPE

Company: Apple Computer

Address: 1 Infinite Loop

City, State, Zip: Cupertino, CA 95019

Contact Person/Title: Jessica Steigerwald – Programs Operations Mgr

Telephone No.: 408-974-0196

Collective Bargaining Agreement(s):

Total # of full-time company employees worldwide: 10837

Total # of full-time company employees in California: 5503

Estimated # of employees to be retrained or hired under this Agreement: 50

Company: Asia Foundation

Address: 465 California St 9<sup>th</sup> floor

City, State, Zip: San Francisco CA 94104

Contact Person/Title: Martell Moore

Telephone No.: 415-743-3365

Collective Bargaining Agreement(s):

Total # of full-time company employees worldwide: 366

Total # of full-time company employees in California: 80

Estimated # of employees to be retrained or hired under this Agreement: 5

Company: Adobe Systems

Address: Mailstop W11, 345 Park Avenue

City, State, Zip: San Jose CA 95110-2704

Contact Person/Title: Anita Engleman – Marketing Mgr

Telephone No.: 408-536-2327

Collective Bargaining Agreement(s):

Total # of full-time company employees worldwide: 4216

Total # of full-time company employees in California: 1921

Estimated # of employees to be retrained or hired under this Agreement: 50

Participating Employers in Retrainee  
Multiple Employer Contractor (MEC) Agreements  
(ETP 100B)

Contractor's Name: Bay Area Video Coalition (BAVC)

CCG No.: ET07-0291

Reference No: 07-0282

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PRINT OR TYPE

Company: AKQA

Address 118 King St, 6th floor

City, State, Zip: San Francisco CA 94107

Contact Person/Title: Vinny Abeygunawardena

Telephone No.: 415-645-9502

Collective Bargaining Agreement(s):

Total # of full-time company employees worldwide:

Total # of full-time company employees in California:

Estimated # of employees to be retrained or hired under this Agreement: 20

Company: Avalon Publishing

Address: 1400 65<sup>th</sup> St Suite 250

City, State, Zip: Emeryville, CA 94608

Contact Person/Title: John Spriggs – IT Director

Telephone No.: 510-595-3664

Collective Bargaining Agreement(s):

Total # of full-time company employees worldwide 95

Total # of full-time company employees in California: 58

Estimated # of employees to be retrained or hired under this Agreement: 7

Company: Advanced Systems Group

Address: 1226 Powell street

City, State, Zip: Emeryville CA 94608

Contact Person/Title: Dave van Hoy, owner

Telephone No.: 510-654-8300

Collective Bargaining Agreement(s):

Total # of full-time company employees worldwide: 8

Total # of full-time company employees in California: 8

Estimated # of employees to be retrained or hired under this Agreement: 2

Participating Employers in Retrainee  
Multiple Employer Contractor (MEC) Agreements  
(ETP 100B)

Contractor's Name: Bay Area Video Coalition (BAVC)

CCG No.: ET07-0291

Reference No: 07-0282

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PRINT OR TYPE

Company: Camp Creative

Address 300 Valley St Ste 301

City, State, Zip: Sausalito CA 94965

Contact Person/Title: TJ Worley – Director of Production

Telephone No.: 415-331-5450

Collective Bargaining Agreement(s):

Total # of full-time company employees worldwide: 4

Total # of full-time company employees in California: 4

Estimated # of employees to be retrained or hired under this Agreement: 2

Company: Cappa Graham

Address: 401 Terry A Francois Blvd #200

City, State, Zip: San Francisco CA 94158

Contact Person/Title: Linda Thompson CEO

Telephone No.: 415-512-6967

Collective Bargaining Agreement(s):

Total # of full-time company employees worldwide 13

Total # of full-time company employees in California: 13

Estimated # of employees to be retrained or hired under this Agreement: 1

Company: Beyond Pix

Address: 950 Battery St.

City, State, Zip: San Francisco CA 94111

Contact Person/Title: Albert Leung, Transmissions

Telephone No.: 415-434-1027

Collective Bargaining Agreement(s):

Total # of full-time company employees worldwide: 10

Total # of full-time company employees in California: 10

Estimated # of employees to be retrained or hired under this Agreement: 2

Participating Employers in Retrainee  
Multiple Employer Contractor (MEC) Agreements  
(ETP 100B)

Contractor's Name: Bay Area Video Coalition (BAVC)

CCG No.: ET07-0291

Reference No: 07-0282

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PRINT OR TYPE

Company: Core Studio

Address 162 Townsend – Ste 12

City, State, Zip: San Francisco CA 94107

Contact Person/Title: Cameron Baxter - Producer

Telephone No.: 415-543-8140

Collective Bargaining Agreement(s):

Total # of full-time company employees worldwide: 4

Total # of full-time company employees in California: 4

Estimated # of employees to be retrained or hired under this Agreement: 3

Company: Carol H Williams

Address: 555 12<sup>th</sup> St Ste 1700

City, State, Zip: Oakland CA 94607

Contact Person/Title: Sharon Kimbrough – Executive Producer

Telephone No.: 312-836-7929

Collective Bargaining Agreement(s):

Total # of full-time company employees worldwide 130

Total # of full-time company employees in California: 100

Estimated # of employees to be retrained or hired under this Agreement: 12

Company: CNET - Broadband

Address: 235 Second St

City, State, Zip: San Francisco CA 94105

Contact Person/Title: Marianne Willman - Director

Telephone No.: 415-344-2955

Collective Bargaining Agreement(s):

Total # of full-time company employees worldwide: 2100

Total # of full-time company employees in California: 800

Estimated # of employees to be retrained or hired under this Agreement: 6

Participating Employers in Retrainee  
Multiple Employer Contractor (MEC) Agreements  
(ETP 100B)

Contractor's Name: Bay Area Video Coalition (BAVC)

CCG No.: ET07-0291

Reference No: 07-0282

Page 5 of 27

PRINT OR TYPE

Company: Current TV

Address 118 King St

City, State, Zip: San Francisco CA 94107

Contact Person/Title: Taryn Ching – Asst to COO

Telephone No.: 415-995-8229

Collective Bargaining Agreement(s):

Total # of full-time company employees worldwide: 175

Total # of full-time company employees in California: 170

Estimated # of employees to be retrained or hired under this Agreement: 25

Company: Conwest Resources

Address: 1177 Harrison St

City, State, Zip: San Francisco CA 94103

Contact Person/Title: Jody Wilson -sr. video editor

Telephone No.: 415-321-6639

Collective Bargaining Agreement(s):

Total # of full-time company employees worldwide: 35

Total # of full-time company employees in California: 35

Estimated # of employees to be retrained or hired under this Agreement: 7

Company: Delphi Productions

Address: 950 West Tower Ave

City, State, Zip: Alameda CA 94501

Contact Person/Title: Nora Lam HR Mgr

Telephone No.: 510-749-6890

Collective Bargaining Agreement(s):

Total # of full-time company employees worldwide: 57

Total # of full-time company employees in California: 57

Estimated # of employees to be retrained or hired under this Agreement: 4

Participating Employers in Retrainee  
Multiple Employer Contractor (MEC) Agreements  
(ETP 100B)

Contractor's Name: Bay Area Video Coalition (BAVC)

CCG No.: ET07-0291

Reference No: 07-0282

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PRINT OR TYPE

Company: Carl's Fine Films

Address 42 Decatur

City, State, Zip: San Francisco CA 94103

Contact Person/Title: Sanda Kimberly - Producer

Telephone No.: 415-552-2200

Collective Bargaining Agreement(s):

Total # of full-time company employees worldwide: 5

Total # of full-time company employees in California: 5

Estimated # of employees to be retrained or hired under this Agreement: 3

Company: Digidesign

Address: 2001 Junipero Serra Blvd

City, State, Zip: Daly City, CA 94014

Contact Person/Title: Collette Sheehan

Telephone No.: 650-731-6620

Collective Bargaining Agreement(s):

Total # of full-time company employees worldwide: 460

Total # of full-time company employees in California: 320

Estimated # of employees to be retrained or hired under this Agreement: 50

Company: PDI Dreamworks

Address: 1800 Seaport Blvd

City, State, Zip: Redwood City CA 94063

Contact Person/Title: Shirley Copeland – Head of Training

Telephone No.: 650-562-9052

Collective Bargaining Agreement(s):

Total # of full-time company employees worldwide: 359

Total # of full-time company employees in California: 359

Estimated # of employees to be retrained or hired under this Agreement: 35

Participating Employers in Retrainee  
Multiple Employer Contractor (MEC) Agreements  
(ETP 100B)

Contractor's Name: Bay Area Video Coalition (BAVC)

CCG No.: ET07-0291

Reference No: 07-0282

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PRINT OR TYPE

Company: Eleven Inc

Address 445 Bush St

City, State, Zip: San Francisco CA 94108

Contact Person/Title: TBD

Telephone No.: TBD

Collective Bargaining Agreement(s):

Total # of full-time company employees worldwide: 45

Total # of full-time company employees in California: 45

Estimated # of employees to be retrained or hired under this Agreement: 5

Company: Good Storm – Society Cafe

Address: 835 Terri Francois St 2<sup>nd</sup> floor

City, State, Zip: San Francisco CA 94107

Contact Person/Title: Ben Brunetti

Telephone No.: 415-226-1421

Collective Bargaining Agreement(s):

Total # of full-time company employees worldwide: 11

Total # of full-time company employees in California: 11

Estimated # of employees to be retrained or hired under this Agreement: 5

Company: Concentric Media

Address: 454 Ninth Ave

City, State, Zip: Menlo Park CA 94025

Contact Person/Title: Dorothy Fadiman, Director/President

Telephone No.: TBD

Collective Bargaining Agreement(s):

Total # of full-time company employees worldwide: 3

Total # of full-time company employees in California: 3

Estimated # of employees to be retrained or hired under this Agreement: 3

Participating Employers in Retrainee  
Multiple Employer Contractor (MEC) Agreements  
(ETP 100B)

Contractor's Name: Bay Area Video Coalition (BAVC)

CCG No.: ET07-0291

Reference No: 07-0282

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PRINT OR TYPE

Company: Cybernet Entertainment

Address: 3141 Gough St

City, State, Zip: San Francisco CA 94123

Contact Person/Title: Lisa Mackie

Telephone No.: 415-856-0798

Collective Bargaining Agreement(s):

Total # of full-time company employees worldwide: 53

Total # of full-time company employees in California: 53

Estimated # of employees to be retrained or hired under this Agreement: 20

Company: Images In Motion

Address: 720 Ladera Dr

City, State, Zip: Sonoma CA 95476

Contact Person/Title: Lee Armstrong - President

Telephone No.: 707-996-9474

Collective Bargaining Agreement(s):

Total # of full-time company employees worldwide: 7

Total # of full-time company employees in California: 7

Estimated # of employees to be retrained or hired under this Agreement: 3

Company: KSMS - Entravision Communications

Address: 67 Garden Court

City, State, Zip: Monterey CA 93940

Contact Person/Title: Aaron Scoby, General Manager

Telephone No.: 831-373-6767

Collective Bargaining Agreement(s):

Total # of full-time company employees worldwide: 40

Total # of full-time company employees in California: 40

Estimated # of employees to be retrained or hired under this Agreement: 5

Participating Employers in Retrainee  
Multiple Employer Contractor (MEC) Agreements  
(ETP 100B)

Contractor's Name: Bay Area Video Coalition (BAVC)

CCG No.: ET07-0291

Reference No: 07-0282

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PRINT OR TYPE

Company: EVB

Address 612 Howard Street, 5th Floor

City, State, Zip: San Francisco CA 94105

Contact Person/Title: Michelle Spear

Telephone No.: 415-856-8106

Collective Bargaining Agreement(s):

Total # of full-time company employees worldwide: 32

Total # of full-time company employees in California: 32

Estimated # of employees to be retrained or hired under this Agreement: 15

Company: Fat Box

Address: 499 Seaport Court

City, State, Zip: Redwood City CA 94063

Contact Person/Title: Richie Germinaro, Producer

Telephone No.: 650-363-8700

Collective Bargaining Agreement(s):

Total # of full-time company employees worldwide: 20

Total # of full-time company employees in California: 20

Estimated # of employees to be retrained or hired under this Agreement: 6

Company: Exploratorium

Address: 3601 Lyon St

City, State, Zip: San Francisco CA 94123

Contact Person/Title: Jeffrey Sherman – HR Director

Telephone No.: 415-363-0447

Collective Bargaining Agreement(s):

Total # of full-time company employees worldwide: 270

Total # of full-time company employees in California: 270

Estimated # of employees to be retrained or hired under this Agreement: 20

Participating Employers in Retrainee  
Multiple Employer Contractor (MEC) Agreements  
(ETP 100B)

Contractor's Name: Bay Area Video Coalition (BAVC)

CCG No.: ET07-0291

Reference No: 07-0282

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PRINT OR TYPE

Company: Film Core

Address: 545 Sansome St 7<sup>th</sup> floor

City, State, Zip: San Francisco CA 94111

Contact Person/Title: Pete Coffey GM

Telephone No.: 415-397-8900

Collective Bargaining Agreement(s):

Total # of full-time company employees worldwide: 63

Total # of full-time company employees in California: 63

Estimated # of employees to be retrained or hired under this Agreement: 6

Company: Flim Arts Foundation

Address: 145 Ninth St Ste 101

City, State, Zip: San Francisco CA 94103

Contact Person/Title: Donald Harrison

Telephone No.: 415-552-8760 x302

Collective Bargaining Agreement(s):

Total # of full-time company employees worldwide: 14

Total # of full-time company employees in California: 14

Estimated # of employees to be retrained or hired under this Agreement: 4

Company: Frameline

Address: 145 Ninth Street, Suite 300

City, State, Zip: San Francisco CA 94103

Contact Person/Title: Michael Lumpkin Executive Director

Telephone No.: 415-703-8650

Collective Bargaining Agreement(s):

Total # of full-time company employees worldwide: 11

Total # of full-time company employees in California: 11

Estimated # of employees to be retrained or hired under this Agreement: 5

Participating Employers in Retrainee  
Multiple Employer Contractor (MEC) Agreements  
(ETP 100B)

Contractor's Name: Bay Area Video Coalition (BAVC)

CCG No.: ET07-0291

Reference No: 07-0282

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PRINT OR TYPE

Company: Draft FCB Group

Address 1160 Battery St Ste 250

City, State, Zip: San Francisco CA 94111

Contact Person/Title: Katie Brown – HR Coordinator

Telephone No.: 415-820-8784

Collective Bargaining Agreement(s):

Total # of full-time company employees worldwide: 7000

Total # of full-time company employees in California: 200

Estimated # of employees to be retrained or hired under this Agreement: 50

Company: Goodby, Silverstein & Partners

Address: 720 California St

City, State, Zip: San Francisco CA 94108

Contact Person/Title: Christine Oh – HR

Telephone No.: 415-955-6064

Collective Bargaining Agreement(s):

Total # of full-time company employees worldwide: 315

Total # of full-time company employees in California: 300

Estimated # of employees to be retrained or hired under this Agreement: 35

Company: Sega Of America

Address: 650 Townsend St #650

City, State, Zip: San Francisco CA 94103

Contact Person/Title: Michelle Whitmore – HR Manager

Telephone No.: 415-701-3871

Collective Bargaining Agreement(s):

Total # of full-time company employees worldwide: 160

Total # of full-time company employees in California: 160

Estimated # of employees to be retrained or hired under this Agreement: 50

Participating Employers in Retrainee  
Multiple Employer Contractor (MEC) Agreements  
(ETP 100B)

Contractor's Name: Bay Area Video Coalition (BAVC)

CCG No.: ET07-0291

Reference No: 07-0282

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PRINT OR TYPE

Company: Grape Video Recording Co

Address 89 W Neal St

City, State, Zip: Pleasanton CA 94566

Contact Person/Title: Brandon Robinson GM

Telephone No.: 925-462-1300

Collective Bargaining Agreement(s):

Total # of full-time company employees worldwide: 3

Total # of full-time company employees in California: 3

Estimated # of employees to be retrained or hired under this Agreement: 2

Company: Indigo Films

Address: 155 N Redwood Dr #250

City, State, Zip: San Rafael CA 94903

Contact Person/Title: Hanna Bankier – Production Manager

Telephone No.: 415-444-1700

Collective Bargaining Agreement(s):

Total # of full-time company employees worldwide: 11

Total # of full-time company employees in California: 11

Estimated # of employees to be retrained or hired under this Agreement: 2

Company: INCA Productions

Address: 311 Miller Ave Ste B1

City, State, Zip: Mill Valley CA 94941

Contact Person/Title: Emma Cott

Telephone No.: 415-389-5000

Collective Bargaining Agreement(s):

Total # of full-time company employees worldwide: 5

Total # of full-time company employees in California: 5

Estimated # of employees to be retrained or hired under this Agreement: 2

Participating Employers in Retrainee  
Multiple Employer Contractor (MEC) Agreements  
(ETP 100B)

Contractor's Name: Bay Area Video Coalition (BAVC)

CCG No.: ET07-0291

Reference No: 07-0282

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PRINT OR TYPE

Company: Intel Corp

Address 2200 Mission College Blvd

City, State, Zip: Santa Clara CA 95052

Contact Person/Title: Jack Chavez

Telephone No.: 408-653-5231

Collective Bargaining Agreement(s):

Total # of full-time company employees worldwide: 78000

Total # of full-time company employees in California: 19000

Estimated # of employees to be retrained or hired under this Agreement: 6

Company: ITVS

Address: 501 York St

City, State, Zip: San Francisco CA 94110

Contact Person/Title: Judy Tam - CFO

Telephone No.: 415-356-8383

Collective Bargaining Agreement(s):

Total # of full-time company employees worldwide: 34

Total # of full-time company employees in California: 34

Estimated # of employees to be retrained or hired under this Agreement: 6

Company: Jak Films

Address: 5858 Lucas Valley Rd

City, State, Zip: Nicasio CA 94946

Contact Person/Title: Kathryn Ramos

Telephone No.: 415-662-1147

Collective Bargaining Agreement(s):

Total # of full-time company employees worldwide: 26

Total # of full-time company employees in California: 26

Estimated # of employees to be retrained or hired under this Agreement: 10

Participating Employers in Retrainee  
Multiple Employer Contractor (MEC) Agreements  
(ETP 100B)

Contractor's Name: Bay Area Video Coalition (BAVC)

CCG No.: ET07-0291

Reference No: 07-0282

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PRINT OR TYPE

Company: KBWB

Address 2500 Marin St

City, State, Zip: San Francisco CA 94124

Contact Person/Title: Sheelee Chew – HR Director

Telephone No.: 415-826-8900

Collective Bargaining Agreement(s):

Total # of full-time company employees worldwide: 52

Total # of full-time company employees in California: 52

Estimated # of employees to be retrained or hired under this Agreement: 6

Company: Kenwood Group

Address: 75 Varney Pl

City, State, Zip: San Francisco CA 94107

Contact Person/Title: Gary Goodman – Business Mgr

Telephone No.: 415-957-5333

Collective Bargaining Agreement(s):

Total # of full-time company employees worldwide: 13

Total # of full-time company employees in California: 13

Estimated # of employees to be retrained or hired under this Agreement: 2

Company: KGO

Address: 900 Front St

City, State, Zip: San Francisco CA 94111

Contact Person/Title: Debi Farey – HR Director

Telephone No.: 415-954-7745

Collective Bargaining Agreement(s): NABET-local

Total # of full-time company employees worldwide: 120000

Total # of full-time company employees in California: 215

Estimated # of employees to be retrained or hired under this Agreement: 8

Participating Employers in Retrainee  
Multiple Employer Contractor (MEC) Agreements  
(ETP 100B)

Contractor's Name: Bay Area Video Coalition (BAVC)

CCG No.: ET07-0291

Reference No: 07-0282

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PRINT OR TYPE

Company: KPIX - CBS

Address 855 Battery St

City, State, Zip: San Francisco CA 94111

Contact Person/Title: Don Sharp

Telephone No.: 415-730-7901

Collective Bargaining Agreement(s): IBEW

Total # of full-time company employees worldwide: 211

Total # of full-time company employees in California: 211

Estimated # of employees to be retrained or hired under this Agreement: 12

Company: KRON – Young Broadcasting

Address: 1001 Van Ness Ave

City, State, Zip: San Francisco CA 94102

Contact Person/Title: Sondra Lewis, HR Director

Telephone No.: 415-561-8025

Collective Bargaining Agreement(s):

Total # of full-time company employees worldwide: 204

Total # of full-time company employees in California: 204

Estimated # of employees to be retrained or hired under this Agreement: 5

Company: KSTS - Telemundo

Address: 2450 North First St

City, State, Zip: San Jose CA 95131

Contact Person/Title: Claudia Cinco – HR Director

Telephone No.: 408-944-4803

Collective Bargaining Agreement(s):

Total # of full-time company employees worldwide: 63

Total # of full-time company employees in California: 63

Estimated # of employees to be retrained or hired under this Agreement: 10

Participating Employers in Retrainee  
Multiple Employer Contractor (MEC) Agreements  
(ETP 100B)

Contractor's Name: Bay Area Video Coalition (BAVC)

CCG No.: ET07-0291

Reference No: 07-0282

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PRINT OR TYPE

Company: KTVU Fox 2

Address 2 Jack London Square

City, State, Zip: Oakland CA 94607

Contact Person/Title: Marc Martinez

Telephone No.: 510-874-0277

Collective Bargaining Agreement(s): IBEW

Total # of full-time company employees worldwide: 220

Total # of full-time company employees in California: 220

Estimated # of employees to be retrained or hired under this Agreement: 20

Company: Lucas Film

Address: 5858 Lucas Valley Road

City, State, Zip: Nicasio CA 94946

Contact Person/Title: Kate Shaw- Digital Training Manager

Telephone No.: 415-448-3768

Collective Bargaining Agreement(s):

Total # of full-time company employees worldwide 981

Total # of full-time company employees in California: 981

Estimated # of employees to be retrained or hired under this Agreement: 15

Company: MacPherson's Wholesale Art Supplies Dist

Address: 1351 Ocean Ave

City, State, Zip: Emeryville CA 94608

Contact Person/Title: Barbara Forde HR Director

Telephone No.: 510-768-6604

Collective Bargaining Agreement(s):

Total # of full-time company employees worldwide: 144

Total # of full-time company employees in California: 50

Estimated # of employees to be retrained or hired under this Agreement: 5

Participating Employers in Retrainee  
Multiple Employer Contractor (MEC) Agreements  
(ETP 100B)

Contractor's Name: Bay Area Video Coalition (BAVC)

CCG No.: ET07-0291

Reference No: 07-0282

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PRINT OR TYPE

Company: KNTV

Address: 2450 N First St

City, State, Zip: San Jose CA 95131

Contact Person/Title: Judy Betro – Director of HR

Telephone No.: 408-432-4580

Collective Bargaining Agreement(s):

Total # of full-time company employees worldwide: 200

Total # of full-time company employees in California: 200

Estimated # of employees to be retrained or hired under this Agreement: 5

Company: KXTV News 10

Address: 400 Broadway

City, State, Zip: Sacramento CA 95818

Contact Person/Title: Shari Kaye – Human Resources Mgr

Telephone No.: 916-441-2345

Collective Bargaining Agreement(s):

Total # of full-time company employees worldwide: 146

Total # of full-time company employees in California: 146

Estimated # of employees to be retrained or hired under this Agreement: 4

Company: MarketLive Inc

Address: 625 Second St

City, State, Zip: Petaluma CA 94952

Contact Person/Title: Renee Gangnath – Sr Web Designer

Telephone No.: 707-780-1713

Collective Bargaining Agreement(s):

Total # of full-time company employees worldwide: 168

Total # of full-time company employees in California: 168

Estimated # of employees to be retrained or hired under this Agreement: 5

Participating Employers in Retrainee  
Multiple Employer Contractor (MEC) Agreements  
(ETP 100B)

Contractor's Name: Bay Area Video Coalition (BAVC)

CCG No.: ET07-0291

Reference No: 07-0282

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PRINT OR TYPE

Company: Sierra Club

Address: 85 Second Street, 2<sup>nd</sup> Floor

City, State, Zip: San Francisco, CA 94105

Contact Person/Title: Orli Cotel

Telephone No.: 415-977-5627

Collective Bargaining Agreement(s): Sierra Employee Alliance Local 2103

Total # of full-time company employees worldwide: 515

Total # of full-time company employees in California: 235

Estimated # of employees to be retrained or hired under this Agreement: 5

Company: Simple Star

Address: 2325 Third Street, Suite 424

City, State, Zip: San Francisco, CA 94107

Contact Person/Title: Julie McFie

Telephone No.: 415-568-2938

Collective Bargaining Agreement(s):

Total # of full-time company employees worldwide: 13

Total # of full-time company employees in California: 13

Estimated # of employees to be retrained or hired under this Agreement: 3

Company: Skywalker Sound

Address: 5858 Lucas Valley Road

City, State, Zip: Nicasio, CA 94946

Contact Person/Title: Kate Shaw

Telephone No.: 415-448-3768

Collective Bargaining Agreement(s): IATSE Local 16

Total # of full-time company employees worldwide: 104

Total # of full-time company employees in California: 104

Estimated # of employees to be retrained or hired under this Agreement: 3

Participating Employers in Retrainee  
Multiple Employer Contractor (MEC) Agreements  
(ETP 100B)

Contractor's Name: Bay Area Video Coalition (BAVC)

CCG No.: ET07-0291

Reference No: 07-0282

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PRINT OR TYPE

Company: Socratic Technologies

Address: 2505 Mariposa Street

City, State, Zip: San Francisco, CA 94110

Contact Person/Title: Kari McGlynn

Telephone No.: 415-430-2200

Collective Bargaining Agreement(s):

Total # of full-time company employees worldwide: 48

Total # of full-time company employees in California: 30

Estimated # of employees to be retrained or hired under this Agreement: 3

Company: Total Media Group

Address: 432 North Canal Street #12

City, State, Zip: South San Francisco, CA 94080

Contact Person/Title: Tomoko Lee

Telephone No.: 650-383-8236

Collective Bargaining Agreement(s):

Total # of full-time company employees worldwide: 14

Total # of full-time company employees in California: 13

Estimated # of employees to be retrained or hired under this Agreement: 9

Company: Video Transform

Address: 930 Commercial Street

City, State, Zip: Palo Alto, CA 94303

Contact Person/Title: Greg Jio

Telephone No.: 408-460-3543

Collective Bargaining Agreement(s):

Total # of full-time company employees worldwide: 15

Total # of full-time company employees in California: 15

Estimated # of employees to be retrained or hired under this Agreement: 2

Participating Employers in Retrainee  
Multiple Employer Contractor (MEC) Agreements  
(ETP 100B)

Contractor's Name: BAY AREA VIDEO COALITION

CCG No.: ET07-0291

Reference No: 07-0282

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PRINT OR TYPE

Company: Shogakukan Productions and Entertainment (VIZ)

Address: 295 Bay Street

City, State, Zip: San Francisco, CA 94133

Contact Person/Title: Kimberly Taylor

Telephone No.: 415-546-7073

Collective Bargaining Agreement(s):

Total # of full-time company employees worldwide: 18

Total # of full-time company employees in California: 18

Estimated # of employees to be retrained or hired under this Agreement: 15

Company: Wells Fargo Bank

Address: 550 California Street, 10<sup>th</sup> Floor

City, State, Zip: San Francisco, CA 94104

Contact Person/Title: Gianna Annino

Telephone No.: 415-498-1771

Collective Bargaining Agreement(s):

Total # of full-time company employees worldwide: 139,000

Total # of full-time company employees in California: 35, 697

Estimated # of employees to be retrained or hired under this Agreement: 30

Company: Wild Brain

Address: 660 Alabama

City, State, Zip: San Francisco, CA 94110

Contact Person/Title: BZ Petroff

Telephone No.: 415-553-8000

Collective Bargaining Agreement(s):

Total # of full-time company employees worldwide: 80

Total # of full-time company employees in California: 80

Estimated # of employees to be retrained or hired under this Agreement: 10

Participating Employers in Retrainee  
Multiple Employer Contractor (MEC) Agreements  
(ETP 100B)

Contractor's Name: BAY AREA VIDEO COALITION

CCG No.: ET07-0291

Reference No: 07-0282

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PRINT OR TYPE

Company: Williams Sonoma

Address: 151 Union Street

City, State, Zip: San Francisco, CA 94111

Contact Person/Title: Janet Lovett

Telephone No.: 415-616-7986

Collective Bargaining Agreement(s):

Total # of full-time company employees worldwide: 3500

Total # of full-time company employees in California: 3000

Estimated # of employees to be retrained or hired under this Agreement: 7

Company: Yan Can Cook

Address: 1650 S. Amphlett Blvd, #101

City, State, Zip: San Mateo, CA 94402

Contact Person/Title: Stephanie Jan

Telephone No.: 650-525-0522

Collective Bargaining Agreement(s):

Total # of full-time company employees worldwide: 4

Total # of full-time company employees in California: 4

Estimated # of employees to be retrained or hired under this Agreement: 1

Company: Pacific Media

Address: 3100 Coronado Drive

City, State, Zip: Santa Clara, CA 95054

Contact Person/Title: Karen Warner Nelson

Telephone No.: 408-987-4000

Collective Bargaining Agreement(s):

Total # of full-time company employees worldwide: 45

Total # of full-time company employees in California: 45

Estimated # of employees to be retrained or hired under this Agreement: 4

Participating Employers in Retrainee  
Multiple Employer Contractor (MEC) Agreements  
(ETP 100B)

Contractor's Name: BAY AREA VIDEO COALITION

CCG No.: ET07-0291

Reference No: 07-0282

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PRINT OR TYPE

Company: Pacific News Service

Address: 275 Ninth Street

City, State, Zip: San Francisco, CA 94103

Contact Person/Title: Patricia Johnson

Telephone No.: 415-503-4170

Collective Bargaining Agreement(s):

Total # of full-time company employees worldwide: 45

Total # of full-time company employees in California: 45

Estimated # of employees to be retrained or hired under this Agreement: 10

Company: Pedersen Media

Address: 2 Bryant Street, Suite 210

City, State, Zip: San Francisco, CA 94105

Contact Person/Title: Kathy Chuen

Telephone No.: 415-512-9800

Collective Bargaining Agreement(s):

Total # of full-time company employees worldwide: 7

Total # of full-time company employees in California: 7

Estimated # of employees to be retrained or hired under this Agreement: 2

Company: Peets Coffee and Tea

Address: 1400 Park Avenue

City, State, Zip: Emeryville, CA 94608

Contact Person/Title: Ted Statchura

Telephone No.: 510-594-2938

Collective Bargaining Agreement(s):

Total # of full-time company employees worldwide: 392

Total # of full-time company employees in California: 324

Estimated # of employees to be retrained or hired under this Agreement: 4

Participating Employers in Retrainee  
Multiple Employer Contractor (MEC) Agreements  
(ETP 100B)

Contractor's Name: BAY AREA VIDEO COALITION

CCG No.: ET07-0291

Reference No: 07-0282

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PRINT OR TYPE

Company: PIXAR

Address: 1200 Park Avenue

City, State, Zip: Emeryville, CA 94608

Contact Person/Title: Elizabeth Greenberg

Telephone No.: 510-752-3623

Collective Bargaining Agreement(s):

Total # of full-time company employees worldwide: 800

Total # of full-time company employees in California: 800

Estimated # of employees to be retrained or hired under this Agreement: 40

Company: Premier Retail Networks

Address: 600 Harrison Street

City, State, Zip: San Francisco, CA 94107

Contact Person/Title: Christine Stout

Telephone No.: 415-808-9154

Collective Bargaining Agreement(s):

Total # of full-time company employees worldwide: 220

Total # of full-time company employees in California: 170

Estimated # of employees to be retrained or hired under this Agreement: 15

Company: Rental/Dub Express

Address: 80 Carolina Street

City, State, Zip: San Francisco, CA 94110

Contact Person/Title:

Telephone No.: 415-255-9888

Collective Bargaining Agreement(s):

Total # of full-time company employees worldwide: 15

Total # of full-time company employees in California: 15

Estimated # of employees to be retrained or hired under this Agreement: 1

Participating Employers in Retrainee  
Multiple Employer Contractor (MEC) Agreements  
(ETP 100B)

Contractor's Name: BAY AREA VIDEO COALITION

CCG No.: ET07-0291

Reference No: 07-0282

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PRINT OR TYPE

Company: Roughhouse Editorial

Address: 39 Mesa Street #212, Presidio

City, State, Zip: San Francisco, CA 94129

Contact Person/Title: Michael Pickman-Thoon

Telephone No.: TBD

Collective Bargaining Agreement(s):

Total # of full-time company employees worldwide: 15

Total # of full-time company employees in California: 15

Estimated # of employees to be retrained or hired under this Agreement: 2

Company: Safeway, Inc

Address: 5918 Stoneridge Mall Road

City, State, Zip: Pleasanton, CA 94588

Contact Person/Title: Robin Martin

Telephone No.: 925-467-3687

Collective Bargaining Agreement(s):

Total # of full-time company employees worldwide: 197,982

Total # of full-time company employees in California: 24,000

Estimated # of employees to be retrained or hired under this Agreement: 15

Company: Podshow Inc

Address: 577 2<sup>nd</sup> St Ste 203

City, State, Zip: San Francisco CA 94107

Contact Person/Title: Rosie Panzarello – HR/Office Mgr

Telephone No: 415-247-8608

Collective Bargaining Agreement(s):

Total # of full-time company employees worldwide: 40

Total # of full-time company employees in California: 30

Estimated # of employees to be retrained or hired under this Agreement: 5

Participating Employers in Retrainee  
Multiple Employer Contractor (MEC) Agreements  
(ETP 100B)

Contractor's Name: BAY AREA VIDEO COALITION

CCG No.: ET07-0291

Reference No: 07-0282

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PRINT OR TYPE

Company: McCune Audio Video

Address: 101 Utah Avenue

City, State, Zip: South San Francisco, CA 94080

Contact Person/Title: Allan McCune

Telephone No.: 650-873-1111

Collective Bargaining Agreement(s):

Total # of full-time company employees worldwide: 63

Total # of full-time company employees in California: 63

Estimated # of employees to be retrained or hired under this Agreement:5

Company: Monaco Labs

Address: 234 Ninth Street

City, State, Zip: San Francisco, CA 94109

Contact Person/Title: Robert Monaco

Telephone No.: 415-864-5350

Collective Bargaining Agreement(s):

Total # of full-time company employees worldwide: 35

Total # of full-time company employees in California: 35

Estimated # of employees to be retrained or hired under this Agreement:5

Company: National Indian Justice Center

Address: 5250 Aero Drive

City, State, Zip: Santa Rosa, CA 95403

Contact Person/Title: Carol Oliva

Telephone No.: 707-579-5507

Collective Bargaining Agreement(s):

Total # of full-time company employees worldwide: 9

Total # of full-time company employees in California: 9

Estimated # of employees to be retrained or hired under this Agreement:6

Participating Employers in Retrainee  
Multiple Employer Contractor (MEC) Agreements  
(ETP 100B)

Contractor's Name: BAY AREA VIDEO COALITION

CCG No.: ET07-0291

Reference No: 07-0282

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PRINT OR TYPE

Company: Oddball Film and Video

Address: 275 Capp Street

City, State, Zip: San Francisco, CA 94110

Contact Person/Title: Robert Chehoski

Telephone No.: 415-558-8112

Collective Bargaining Agreement(s):

Total # of full-time company employees worldwide: 2

Total # of full-time company employees in California: 2

Estimated # of employees to be retrained or hired under this Agreement: 1

Company: BBDO West

Address: 555 Market Street, 17<sup>th</sup> Floor

City, State, Zip: San Francisco, CA 94105

Contact Person/Title: Alejandra Zamudio

Telephone No.: 415-808 6267

Collective Bargaining Agreement(s):

Total # of full-time company employees worldwide: 70

Total # of full-time company employees in California: 70

Estimated # of employees to be retrained or hired under this Agreement: 1

Company: Link Media

Address: 901 Battery Street

City, State, Zip: San Francisco, CA 94111

Contact Person/Title: Merin Mathew

Telephone No.: 415-248-3950

Collective Bargaining Agreement(s):

Total # of full-time company employees worldwide: 15

Total # of full-time company employees in California: 12

Estimated # of employees to be retrained or hired under this Agreement: 5

Participating Employers in Retrainee  
Multiple Employer Contractor (MEC) Agreements  
(ETP 100B)

Contractor's Name: BAY AREA VIDEO COALITION

CCG No.: ET07-0291

Reference No: 07-0282

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PRINT OR TYPE

Company: Ubi Soft

Address: 625 Third St

City, State, Zip: San Francisco CA 94107

Contact Person/Title: Justin Landskron

Telephone No.: 415-547-4051

Collective Bargaining Agreement(s):

Total # of full-time company employees worldwide: 3500

Total # of full-time company employees in California: 200

Estimated # of employees to be retrained or hired under this Agreement: 12

Company: Tippet Studio

Address 2741 10<sup>th</sup> St

City, State, Zip: Berkeley CA 94710

Contact Person/Title: Carolyn Pistone – Head of Production

Telephone No.: 510-649-9711

Collective Bargaining Agreement(s):

Total # of full-time company employees worldwide: 165

Total # of full-time company employees in California: 165

Estimated # of employees to be retrained or hired under this Agreement: 40

Company: Smart Design

Address: 285 7<sup>th</sup> St

City, State, Zip: San Francisco CA 94103

Contact Person/Title: Michael Jones

Telephone No.: 415-355-6214

Collective Bargaining Agreement(s):

Total # of full-time company employees worldwide: 69

Total # of full-time company employees in California: 16

Estimated # of employees to be retrained or hired under this Agreement: 5

# M e m o r a n d u m

To: Panel Members

Date: January 26, 2007

From: Ruby Cohen, Manager

Analyst: K.Ohta

Subject: One-Step Agreement for HITCHCOCK AND HOLCOMBE, INC., DBA  
CONTINENTAL TRAINING CENTER

## CONTRACTOR:

- Multiple Employer: Training Agency
- Training Project Profile: Retraining: Companies W/Out-Of-State Competition
- Legislative Priorities: Promotion of California's Manufacturing Workforce  
Stimulating Export / Imports
- Type of Industry: Various Industries
- Repeat Contractor: Yes
- ETP Trainees Represented by Union: No
- Name and Local Number of Union Representing ETP Trainees: N/A

## CONTRACT:

- Program Costs: \$603,800
- Substantial Contribution: \$0
- Multiple Employer Support (8%) \$41,630
- Total ETP Funding: \$645,430
- Total In-kind Contribution: \$995,200
  - *Trainee Wages Paid During Training:* \$455,850
  - *Other Contributions:* \$539,350
- Reimbursement Method: Fixed-Fee
- County(ies) Served: Alameda, Contra Costa, El Dorado, Fresno, Los Angeles, Marin, Napa, Placer, Sacramento, San Francisco, San Diego, San Joaquin, San Mateo, Salinas, Santa Clara, Shasta, Solano, Sonoma, Tulare, Yolo, and Yuba
- Location of Training: 100% Employer Site

### INTRODUCTION:

This will be the fourth Agreement between the Employment Training Panel and Hitchcock and Holcombe, Inc., dba Continental Training Center (Hitchcock and Holcombe). Hitchcock and Holcombe is an accredited private training agency which has been providing computer training for corporations, county and state agencies, and non-profit organizations for over seven years.

Hitchcock and Holcombe is eligible to contract with ETP under California Unemployment Insurance Code Section 10205(c)(2) as a training agency.

The applicant is proposing to provide Computer Skills and Advanced Technology training to 750 incumbent workers of companies facing out-of-state competition. Approximately 40 percent of the trainees will be employed by companies with less than 100 employees.

### MEETING ETP GOALS AND OBJECTIVES:

Hitchcock and Holcombe proposes training that will further the following ETP goals and objectives:

1. Promote the retention of high wage, high skilled jobs threatened by out-of-state competition.
2. Address the training needs of small businesses.
3. Stimulate exports / imports.

**TRAINING PLAN TABLE:**

Grp/Trainee Type	Types Of Training	No. Retain	No. Class/Lab Videocnf. Hrs.	No. CBT Hrs.	Cost Per Trainee	Hourly Wage After 90 Days
Retraitees Job 1, 3, 6, 7	MENU: Advanced Technology Computer Skills	580	40 - 60	0	\$641 - \$1,411	*\$12.38 - \$45.00
Retraitees Job 2 & 4 Small Business	MENU: Computer Skills	120	40 60	0	\$941 - \$1,411	*\$12.38 - \$45.00
Retraitee Job 5 Small Business	MENU: Computer Skills	50	8 -24	0	\$564	*\$12.38 - \$45.00
Wages After 90-Day Retention						
<u>Occupation</u>						
CAD Operator / Admin Staff / Marketing						
Designer / Managers / Network Engineers / Programmer						
<u>Health Benefits Used To Meet ETP Minimum Wage:</u>					<u>Turnover Rate</u>	<u>% Of Mgrs &amp; Supervisors To Be Trained:</u>
* Medical, dental and vision benefits may be added as necessary to bring the hourly wage to the minimum ETP wage requirement of \$12.38 for various counties; \$13.51 per hour for Alameda, Contra Costa, Los Angeles, Marin, San Francisco, San Mateo, Santa Clara, Santa Cruz counties; \$13.16 per hour for Sacramento county; \$12.89 per hour for San Diego county; and \$13.12 per hour for Ventura county.					20%	20%
<u>Other Employee Benefits:</u>						
Benefits vary by participating employer. Employer-paid benefits may include, but are not limited to, medical, dental and vision benefits, retirement, 401K plans, vacation, paid sick leave, disability insurance, life insurance, accidental death and dismemberment insurance.						

**COMMENTS / ISSUES:**

➤ *Frontline Workers*

All participants in this project meet the Panel definition of frontline workers under Title 22 California Code of Regulations, Section 4400(ee) except (20 percent) managers / supervisors to be included in the training plan.

COMMENTS / ISSUES: (continued)

➤ *Compensatory Nature of Training*

Training is mandatory and trainees will be compensated for the time spent while in training.

➤ *Production During Training*

The proposed Contractor agrees that during ETP-funded training hours, trainees will not produce products or provide services which will ultimately be sold.

➤ *Advanced Technology (AT) Reimbursement Rate*

Hitchcock and Holcombe requests the Advanced Technology reimbursement rate of \$22 per hour (Jobs 6 & 7). All trainees who will be provided Advanced Technology training are CAD operators, designers, programmers, managers and network engineers in IT departments at participating employers. All AT training uses sophisticated software and is highly technical training for computer professionals. With newly acquired IT skills, trainees can administer and manage IT systems, build new applications, and stay competent in the latest IT technologies, thereby increasing the competitiveness of their employers. Hitchcock and Holcombe reports this type of training, provided by its certified trainers, typically costs \$700 to \$1,200 per training course. In addition, due to the complex nature of the material, training must be provided in small classes with 10 trainees or less, thereby adding to the expense of this training.

RECOMMENDATION:

Staff recommends that the Panel approve the Advanced Technology fixed-fee cost reimbursement for the AT training portion of the curriculum; and this Agreement based on Hitchcock and Holcombe need to upgrade employee IT skills to increase productivity, improve employment security of employees and enhance each participating employer's market share in the California economy.

NARRATIVE:

Hitchcock and Holcombe has been doing business since May 1999. Hitchcock and Holcombe provides computer-related training to corporations, non-profit organizations, and state and county agencies. Hitchcock and Holcombe training concentrates on improving computer skills and increasing efficiency for all participating employers trainees, to enable many to promote into new positions with greater responsibilities.

Hitchcock and Holcombe coordinates curriculum development using training needs assessments to determine the current level of trainee skills and working with management from each participating employer to determine the most valuable training for their trainees. Further customization and employer feedback is accomplished through progress evaluations conducted during training and a final evaluation provide to trainees after each course.

NARRATIVE: (continued)

*Employer Demand*

The Panel requires multiple employer contractors provide evidence of employer demand for training. Hitchcock and Holcombe has provided a core group of participating employers facing out-of-state competition and seeking ways of providing employees with the computer based training required for improving business practices.

The majority of the participating employers are manufactures. Due to the increasing competition and changes in manufacturing processes these companies must improve quality, reduce costs, increase productivity, and meet customer demands.

Additionally, many small businesses do not have the resources to upgrade the skills of their employees. Some of the participating employers have participated in ETP-funded training in the past, but the employees participating in this proposal will be newly hired or will receive training in different courses than in previous Agreements.

All ETP funded training will be provided at participating employers' worksites.

Computer Skills:

This training will include CAD software, advanced 3-D modeling, drawing and photo software, operating systems, managing a help desk, supporting networking systems, and web developments applications to enable participating employer's to improve employee productivity and help trainees to stay abreast of the latest office automation technologies.

*Commitment to Training*

Participating employers state that ETP-funded training will upgrade the IT skills of their computer professionals and other administrative and support staff and that ETP-funded training is supplemental to existing company funded training. Current employer training includes regulatory and compliance, safety and basic computer applications training.

SUBCONTRACTORS:

N/A

THIRD PARTY SERVICES:

N/A

PRIOR PROJECTS:

The following are completed project statistics for ETP Agreements with this Contractor within the last five years:

PRIOR PROJECTS						
Agreement Number	Location (City)	Term	Contract Amount	Amount Earned	<i>Planned</i> In-kind Contribution	<i>Reported</i> In-kind Contribution
ET03-0170	Citrus Heights	10/7/02 – 10/6/04	\$685,519	\$615,511	\$1,170,010	\$1,050,700
ET05-0103	Citrus Heights	07/5/04 – 07/4/06	\$546,445	\$423,771	\$1,041,200	\$550,000

ACTIVE PROJECTS:

The following are current project statistics:

ACTIVE PROJECTS						
Agreement Number	Agreement Amount	Term	Planned Number To Be Retained	Number Enrolled	Number Completed Training	Number Retained For 90 Days
ET06-0250	\$553,080	February 7, 2006 – February 6, 2008	700	528	370	186

Over the past year Hitchcock and Holcombe has experienced a demand for Computer Skills and Advanced Technology training. Hitchcock and Holcombe expect to have trained all 700 trainees in this contract by mid 2007 with most of the trainees completing the retention period.

HITCHCOCK AND HOLCOMBE, INC., DBA  
CONTINENTAL TRAINING CENTER

MENU CURRICULUM

Hours  
Class / Lab  
40-60 and VAR 8 – 24

Trainees in all Job Numbers 1 -5 may receive any of the following:

COMPUTER SKILLS

Office Automation:

- Operations Systems
- Word (Beginning and Advanced; beginning ONLY for Small Business)
- Excel (Beginning and Advanced; beginning ONLY for Small Business)
- Outlook (Beginning and Advanced; beginning ONLY for Small Business)
- Access (Beginning and Advanced; beginning ONLY for Small Business)
- PowerPoint (Beginning and Advanced; beginning ONLY for Small Business)
- Project (Beginning and Advanced; beginning ONLY for Small Business)
- Visio (Beginning and Advanced; beginning ONLY for Small Business)
- Dream Weaver MX (Beginning and Advanced; beginning ONLY for Small Business)

PC Networking Upgrade

MCSE Training

- Installing New Operations System
- Implementing DNS
- Setting Up Active Directory
- Creating Physical Structure of Active Directory
- Administering Active Directory
- Upgrading Existing Networks
- Deploying Operating System to Desktop PC's
- Managing Desktop Environments
- Managing Software
- Installing and Configuring Terminal Services
- Configuring Remote Access
- Implementing Disaster Protection

AUTO CAD

- Getting Started
- Display Commands
- Drawing Setup
- Coordinates & Basic Drafting Tools
- Creating 2D Geometry
- Editing 2D Geometry
- Managing Object Properties
- CAD Construction Techniques
- Tacking and Object Snap
- Creating Text & Defining Styles
- Blocks
- Dimensions & Defining Styles
- Cross Hatching
- Page Setup & Layout
- Plotting
- Xref's

HITCHCOCK AND HOLCOMBE, INC., DBA  
CONTINENTAL TRAINING CENTER

MENU CURRICULUM (continued)

Hours  
Class / Lab  
40-60 and VAR 8 – 24

COMPUTER SKILLS

Land Development Desktop

- Introduction of Software Concepts
- Creating Projects and Using Prototypes
- Project Setup
- Program Customization
- Using and Managing COGO points
- External Data References
- Alignments
- Working and Parcels
- Labeling Objects & Creating Object Tables
- Creating Surface Models
- Creating Watershed Models
- Displaying Surface
- Creating and Managing Contours
- Creating and Managing Surface Sections
- Calculating Volumes
- Managing Terrain Layers
- Performing Inquiries on Drawing Features

MicroStation

- Getting Stated
- Mouse Configuration
- Display Commands
- Drawing Setup
- Coordinates & Basic Drafting Tools
- Creating 2D Geometry
- Editing 2D Geometry
- Managing Attributes
- CAD Construction Techniques
- Creating Text & Defining Styles
- Creating Cells
- Dimensioning
- Patterning
- Plotting
- Reference Files

Upgrading to AutCAD 2007

- New Interface
- Design Center
- Copy and Paste Styles, Blocks, etc
- Line weights
- Modify Properties

HITCHCOCK AND HOLCOMBE, INC., DBA  
CONTINENTAL TRAINING CENTER

MENU CURRICULUM (continued)

Hours  
Class / Lab  
40-60 and VAR 8 – 24

COMPUTER SKILLS

Upgrading to AutcCAD 2007 (continued)

- New Interface
- Design Center
- Copy and Paste Styles, Blocks, etc
- Line weights
- Modify Properties
- Dimensions
- Revised Dimension Style Interface
- Qleader
- Qdim
- Layout (was paper space)
- Creating and Using Non Rectangular View Port (in drawing layout)
- Creating Plot System Table Files (with gray scales, filters, etc.)
- Working with Multiple Documents (running only one AutoCAD program)
- Polar Tracking
- Osnap Tracking
- New Osnaps; Parallel and Extension
- New Text Features
- Express Tools

HITCHCOCK AND HOLCOMBE, INC., DBA  
CONTINENTAL TRAINING CENTER

MENU CURRICULUM (continued)

Advanced Technology

Hours  
Class / Lab  
40 -60

Trainees in all Job Numbers 6 -7 may receive any of the following:

Advanced Technology

Win 2000, XP Pro

- Deployment Considerations and Procedures
- Mass Deployment Strategy and Application Installation
- Disk Management
- Plug & Play, Bus Support, ACPI, and Hardware
- Device Management and Administering User Accounts
- The Desktop Environment and Network Services
- Dial-Up Networking and Managing Web Services
- Local Group Policy and Shares and NTFS Permissions
- Offline Folders and Printer Administration
- Performance Monitoring and Enhancement
- Troubleshooting

Win 2000, 2003 Server

- Installing Windows 2000 Server
- Automated Installation Methods
- Disk Management
- Active Directory
- User and Group Management
- File Resources
- Group Policy Objects
- Plug and Play in Windows 2000
- Device Management
- Terminal Services
- TCP / IP
- TCP / IP Services
- Remote Access Services
- Virtual Private Networking
- Internet Connection Sharing and Network Address Translation
- Internet Information Server 5.0
- Printer Administration
- Troubleshooting

HITCHCOCK AND HOLCOMBE, INC., DBA  
CONTINENTAL TRAINING CENTER

MENU CURRICULUM (continued)

Advanced Technology (continued)

Win 2000, 2003 Network Infrastructure

- DNS in a Windows 2000 Network Infrastructure
- DHCP in a Windows 2000 Network Infrastructure
- Remote Access in a Windows 2000 Network Infrastructure
- Network Protocols in a Windows 2000 Network Infrastructure
- WINS in a Windows 2000 Network Infrastructure
- IP Routing in a Windows 2000 Network Infrastructure
- Network Address Translation (NAT)
- Certificate Services

Win 2000, 2003 Active Directory

- Active Directory
- DNS for Active Directory
- Change and Configuration Management
- Deploy Windows 2000 by using Remote Installation Services (RIS)
- Optimizing the Components of Active Directory
- Active Directory Security Solutions

Exchange Server 2000, 2003

- Installing Microsoft Exchange 2000
- Administering Microsoft Exchange 2000
- Creating and Managing Storage Groups and Stores
- Creating and Managing Recipient Objects
- Creating and Managing Public Folders
- SMTP in Microsoft Exchange 2000
- Message Routing in Microsoft Exchange 2000
- Message Flow in Microsoft Exchange 2000
- Configuring Internet Protocols
- Accessing Microsoft Exchange 2000 with Outlook Web Access
- Configuring Instant Messaging

Designing a Microsoft Windows 2000, 2003 Directory Services Infrastructure

- Designing an Active Directory Naming Strategy
- Designing Active Directory to Delegate Administrative Authority
- Designing a Schema Policy
- Designing Active Directory to Support Group Policy
- Designing an Active Directory Domain
- Designing a Multiple Domain Structure
- Designing an Active Directory Topology
- Designing an Active Directory Infrastructure

HITCHCOCK AND HOLCOMBE, INC., DBA  
CONTINENTAL TRAINING CENTER

MENU CURRICULUM (continued)

Advanced Technology (continued)

Administering a Microsoft SQL Server 2000, 2003 Database

- SQL Server Overview
- Planning to Install SQL Server
- Managing Database Files
- Managing Security
- Performing Administrative Tasks
- Backing Up Databases
- Restoring Databases
- Monitoring SQL Server for Performance
- Transferring Data
- Maintaining High Availability
- Introducing Replication

Designing a Secure Microsoft Windows 2000, 2003 Network

- Assessing Security Risks
- Introducing the Windows 2000 Security Model
- Providing Secure Access to Local Network Users
- Planning Administrative Access
- Planning User Accounts
- Securing Windows 2000-Based Computers
- Securing File and Print Resources
- Securing Communication Channels on the Local Network
- Providing Secure Access to Non-Microsoft Clients
- Providing Secure Access to Remote Users and Officers
- Providing Secure Access Between Private and Public Networks
- Maintaining Security When Allowing Public Access to your Private Network

Crystal Reports / Crystal Server

- Create a report by using data from an existing database
- Locate and present data in a specified order
- Create groups to summarize report data
- Build formulas to add non-database data to a report and display data differently
- Format reports
- Enhance reports by adding and modifying elements in a report
- Create single data series charts
- Distribute report data to other users
- Create running totals in a report
- Build cross-tabs in your report
- Add subreports to a report
- Design a report that uses a drill-down
- Improve processing speed in your reports
- Chart single and multiple data series

HITCHCOCK AND HOLCOMBE, INC., DBA  
CONTINENTAL TRAINING CENTER

MENU CURRICULUM (continued)

Advanced Technology (continued)

Advanced Technology

Crystal Reports / Crystal Server (continued)

- Report from excel data
- Identify CE Architecture
- Server Management
- Manage Events Server

Comment: The parties agree that the training identified in this Curriculum may be revised from time-to-time during the term of this Agreement at the request of Contractor and with the prior written approval of ETP. (See also Section 12 in this Agreement.)

Participating Employers in Retrainee  
Multiple Employer Contracts

Contractor's Name: Hitchcock and Holcombe, Inc., dba Continental CCG No.: ET07-0272  
Training Center

Reference No: 07-0238

Page: 1 of 4

PRINT OR TYPE

Company: Domain Chandon

Address: One California Drive

City, State, Zip: Yountville, CA 94599

Contact Person/Title: Barry Belli – Controller

Telephone No.: 707.204.7605

Collective Bargaining Agreement(s): N/A

Estimated #of employees to be retrained under this Agreement: 65

Total # of full-time company employees worldwide: 160

Total # of full-time company employees in California: 160

Company: Korbelt

Address: 13250 River Road

City, State, Zip: Guerneville, CA 95446

Contact Person/Title: Dave Beck, Director of Information Technology

Telephone No.: 707.824.7270

Collective Bargaining Agreement(s): N/A

Estimated # of employees to be retrained under this Agreement: 65

Total # of full-time company employees worldwide: 500

Total # of full-time company employees in California: 250

Company: Landmark Healthcare, Inc.

Address: 1750 Howe Avenue, Suite 300

City, State, Zip: Sacramento, CA 95825

Contact Person/Title: Kathy Ferreira, HR Manager

Telephone No.: 916.569.3340

Collective Bargaining Agreement(s): N/A

Estimated # of employees to be retrained under this Agreement: 50

Total # of full-time company employees worldwide: 125

Total # of full-time company employees in California: 125

Participating Employers in Retrainee  
Multiple Employer Contracts

Contractor's Name: Hitchcock and Holcombe, Inc., dba Continental CCG No.: ET07-0272  
Training Center

Reference No: 07-0238

Page: 2 of 4

PRINT OR TYPE

Company: Livingston Concrete

Address: 5304 Roseville Road

City, State, Zip: Roseville, CA 95678

Contact Person/Title: Sue Cook, Office Manager

Telephone No.: 916.785.2311

Collective Bargaining Agreement(s): N/A

Estimated #of employees to be retrained under this Agreement: 20

Total # of full-time company employees worldwide: 92

Total # of full-time company employees in California: 92

Company: Opus One

Address: 7900 St. Helena Way

City, State, Zip: Rutherford, CA 94562

Contact Person/Title: Dana Garaventa, HR Manager

Telephone No.: 707.948.2429

Collective Bargaining Agreement(s): N/A

Estimated # of employees to be retrained under this Agreement: 35

Total # of full-time company employees worldwide: 37

Total # of full-time company employees in California: 35

Company: Rauschenbach Marvelli Becker Architects

Address: 2277 Watt Avenue, 2<sup>nd</sup> Floor

City, State, Zip: Sacramento, CA 95825

Contact Person/Title: Susan Essaf, HR Manager

Telephone No.: 916.488.8500

Collective Bargaining Agreement(s): N/A

Estimated # of employees to be retrained under this Agreement: 30

Total # of full-time company employees worldwide: 45

Total # of full-time company employees in California: 45

Participating Employers in Retrainee  
Multiple Employer Contracts

Contractor's Name: Hitchcock and Holcombe, Inc., dba Continental CCG No.: ET07-0272  
Training Center

Reference No: 07-0238

Page: 3 of 4

PRINT OR TYPE

Company: SelectBuild – KBI Norcal

Address: 1855 North 1<sup>st</sup> Street

City, State, Zip: Dixon, CA 95620

Contact Person/Title: Richard Rios, Office Manager

Telephone No.: 707.678.8600

Collective Bargaining Agreement(s): N/A

Estimated #of employees to be retrained under this Agreement: 100

Total # of full-time company employees worldwide: 1,473

Total # of full-time company employees in California: 1,473

Company: Spherion

Address: 8000 Foothills Blvd

City, State, Zip: Roseville, Ca 95747

Contact Person/Title: Kristi Axtell – Administrator

Telephone No.: 916.785.3847

Collective Bargaining Agreement(s): N/A

Estimated # of employees to be retrained under this Agreement: 200

Total # of full-time company employees worldwide: 5,000

Total # of full-time company employees in California: 5,000

Company: Surewest Communications

Address: 8150 Industrial Avenue

City, State, Zip: Roseville, CA 95678

Contact Person/Title: Susan Slaven, Helpdesk Manager

Telephone No.: 916.786.5221

Collective Bargaining Agreement(s): N/A

Estimated # of employees to be retrained under this Agreement: 200

Total # of full-time company employees worldwide: 1,900

Total # of full-time company employees in California: 1,900

Participating Employers in Retrainee  
Multiple Employer Contracts

Contractor's Name: Hitchcock and Holcombe, Inc., dba Continental CCG No.: ET07-0272  
Training Center

Reference No: 07-0238

Page: 4 of 4

PRINT OR TYPE

Company: US Bank

Address: 950 Florin Road

City, State, Zip: Sacramento, CA 95831

Contact Person/Title: Heather Armstrong, Contract Service Manager

Telephone No.: 916.394.2994

Collective Bargaining Agreement(s): N/A

Estimated #of employees to be retrained under this Agreement: 500

Total # of full-time company employees worldwide: 3000+

Total # of full-time company employees in California: 1000

Company: Vision Service Plan

Address: 3333 Quality Drive

City, State, Zip: Rancho Cordova, CA 95670

Contact Person/Title: Janet Vorwerck, Helpdesk Manager

Telephone No.: 916.851.5007

Collective Bargaining Agreement(s): N/A

Estimated # of employees to be retrained under this Agreement: 120

Total # of full-time company employees worldwide: 1,854

Total # of full-time company employees in California: 1,553

Company: Wells Fargo Bank

Address: 209 Baurer Circle

City, State, Zip: Folsom, CA 95630

Contact Person/Title: Bill Drescher, IT Manager

Telephone No.: 916.608.2053

Collective Bargaining Agreement(s): N/A

Estimated # of employees to be retrained under this Agreement: 200+

Total # of full-time company employees worldwide: 30,000+

Total # of full-time company employees in California: 5,000